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PREPARED BY AND TO BE RETURNED TO:
Robert S. Freedman
Carlton Fields, P.A.
4221 W. Boy Scout Blvd, Suite 1000
Tampa, Florida 33607
(813) 223-7000

DECLARATION OF COVENANTS AND RESTRICTIONS FOR TOWNHOMES AT PORTICO

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NOTICE: As provided in Section 15.12 of this Declaration, each Homeowner, by virtue of taking title to a Lot, hereby agrees that the deed of conveyance of the Lot to a third party shall specifically state that the Lot is subject to the terms of this instrument and shall state the recording book and page information for this instrument as recorded in the public records of the County. The intent of this provision is to defeat any potential argument or claim that Chapter 712, Florida Statutes, has extinguished the application of this instrument to each of the Lots.

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THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR TOWNHOMES AT PORTICO ("Declaration" as defined hereinafter) is made by WCI Communities, LLC, a Delaware limited liability company authorized to do business in Florida, and its successors, assigns and designees.

W I T N E S E T H:

WHEREAS, Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon an exclusive residential community known as Townhomes at Portico (hereinafter referred to as the "Subdivision"); and

WHEREAS, Declarant desires to ensure the attractiveness of the individual lots and facilities within the Subdivision and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values of the subject property, and to provide for the maintenance of Subdivision common properties, areas and facilities and certain exterior maintenance on Lots as may be defined hereinafter, and, to this end, desires to subject the real property described in Article II of this Declaration to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each Homeowner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values of the Subdivision and to insure the enjoyment of the specific rights, privileges and easements in the common properties and Subdivision facilities, to create an association to exercise the powers of owning, maintaining, leasing and/or administering the common properties, administering and enforcing the covenants and restrictions contained hereinafter, collecting and disbursing the assessments and charges hereinafter created and otherwise fulfilling the tasks and expectations of such association as contemplated herein and Chapters 617 and 720, Florida Statutes; and

WHEREAS, Townhomes at Portico Homeowners Association, Inc. has been formed under the laws of the State of Florida, as a not-for-profit corporation, for the purpose of exercising the functions, responsibilities, duties and other actions contemplated herein;

NOW, THEREFORE, Declarant declares that the real property described in Article II of this Declaration is and shall be held, transferred, sold, conveyed, mortgaged, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes collectively referred to as "covenants and restrictions") hereinafter set forth, all of which are created in the best interest of the owners and residents of the Property, and which will run with the land and shall be binding upon all persons having and/or acquiring any right, title or interest in the Property or any portion thereof, or shall occupy any portion of such Property, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Property, or any portion thereof, as follows:

Article 1: Definitions and Construction

Unless the context expressly requires otherwise, the following terms mean as follows wherever used in this Declaration:

1.1 "ARC" means the Architectural Review Committee of the Master Association, as established pursuant to the Master Declaration.

1.2 "ARC Guidelines" means the guidelines for development and/or renovation within the Community, as contained in an exhibit to the Master Declaration or as otherwise promulgated by the ARC or the Master Association.

1.3 "Act" means Chapter 720, Florida Statutes, as existing on the date of recordation of this Declaration.

1.4 "Articles" means the Articles of Incorporation of the Association, as may be amended from time to time. A copy of the Articles as filed with the Florida Department of State is attached as Exhibit B hereto. Any future amendments to the original Articles need not be recorded in the public records of the County.

1.5 "Assessment" means a General Assessment, a Special Assessment or a Specific Assessment levied by the Association against a Lot from time to time.

1.6 "Association" means Townhomes at Portico Homeowners Association, Inc., a Florida corporation not for profit, organized under Chapter 617, Florida Statutes, and the Act. The Association is a "Subdivision Association" as defined in the Master Declaration.

1.7 "Authorized User" means the tenants, guests and invitees of a Homeowner and all occupants of a Home and Lot other than the Homeowner(s).

1.8 "Benefited Parties" means Declarant, the Association and the Homeowners, together with each of their respective successors and assigns, and the tenants, guests and invitees of the Homeowners, but excluding the general public.

1.9 "Board" means the Association's board of directors.

1.10 "Bylaws" means the Bylaws of the Association as may be amended from time to time. A copy of the original Bylaws is attached as Exhibit C hereto. Any future amendments to the original Bylaws need not be recorded in the public records of the County.

1.11 "CDD" means the Portico Community Development District, a special purpose government unit organized in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended.

1.12 "Common Expenses" means all expenses properly incurred by the Association in the performance of its duties pursuant to this Declaration, the Articles, the Bylaws or any rules promulgated thereunder, or any agreement properly entered into by the Association, including, but not limited to, (a) the expenses incurred in connection with the ownership, maintenance, repair, replacement, reconstruction or improvement of the Common Property and/or real property held in title by the Association, if any, and/or any other property for which the Association has maintenance, repair and/or insurance responsibilities, as provided for pursuant to this Declaration (which expenses may, but shall not necessarily, include utilities, taxes, assessments, insurance and repairs); (b) the expenses of obtaining, repairing or replacing personal property owned by the Association; (c) the expenses incurred in the administration and management of the Association; and (d) the expenses declared to be Common Expenses pursuant to this Declaration or the Articles or the Bylaws.

1.13 "Common Property" or "Common Properties" mean any portion or portions of the Property now or hereafter owned by the Association or designated herein or on the plat of the Property as recorded in the public records of the County, as from time to time may be amended ("Plat"), as either Common Property or property to be maintained by the Association (whether or not such property is part of a dedicated right-of-way or easement). "Common Property" shall also include, but shall not be limited to, (a) any landscaping in any median or cul-de-sac island located in any right-of-way as shown on the Plat (whether or not these areas are indicated as common areas), (b) any lake areas for which the Association has maintenance responsibility and for which the costs thereof shall be shared by the Homeowners and certain owners of adjacent real property pursuant to separate agreement, (c) all portions of the "Surface Water Drainage and Management System" (as defined in Article 10 hereof) which serve the Subdivision and which are not otherwise the responsibility of the Master Association or the CDD, (d) any property designated by Declarant as Common Property elsewhere in this Declaration or in any amendment or supplement to this Declaration, and (e) utility easements or tracts for corresponding sewer or potable water.

1.14 "Community" means the development known as Portico.

1.15 "Community Wide Standards" means the standards of conduct, maintenance or other activity generally prevailing throughout the Community, including the Subdivision, as set forth in the Master Declaration.

1.16 "County" means Lee County, Florida.

1.17 "Declaration" means this instrument, as may be amended from time to time.

1.18 "Declarant" means WCI Communities, LLC, a Delaware limited liability company authorized to do business in Florida, and its successors, assigns and designees. A Homeowner or a Mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot. No successor or assignee of Declarant shall have any rights or obligations of Declarant under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession or assignment, or unless such rights pass by operation of law.

1.19 "Family" means one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than 3 persons not all so related, together with domestic servants if any, maintaining a common household in a Home.

1.20 "First Mortgage" means a valid Mortgage (as defined hereinafter) having priority over all other Mortgages on the same property.

1.21 "First Mortgagee" means the holder of a recorded First Mortgage encumbering a Lot and the Home thereon, if any.

1.22 "Governing Documents" means collectively this Declaration, the Articles, the Bylaws, any rules and regulations of the Association, and any other instrument which governs the operation and/or use of the Property and the duties and obligations of the Association.

1.23 "Governmental Entities" means collectively the agencies of the local, state or federal government having jurisdiction over all or a portion of the Property, including, but limited to, the County and the WMD.

1.24 "Home" means any residential dwelling that has been completed and for which a certificate of occupancy has been issued, and which has been conveyed to a Person other than Declarant and is to be used by one Family.

1.25 "Homeowner" means any person who from time to time holds record title to any Lot. If more than one person holds such title, all such persons are Homeowners, jointly and severally. Declarant is a Homeowner with respect to each Lot from time to time owned by such Declarant.

1.26 "Lot" means each numbered lot as established by a recorded Plat pertaining to the Property.

1.27 "Member" means a member of the Association.

1.28 "Master Association" means Portico Master Property Owners Association, Inc., a Florida corporation not for profit, organized under Chapter 617, Florida Statutes, and the Act, being the entity charged with certain operation and maintenance activities under the Master Declaration.

1.29 "Master Declaration" means the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easement for Portico, as recorded in Official Records Instrument 2017000125248, public records of the County, as amended from time to time.

1.30 "Mortgage" means any valid instrument transferring any interest in real property as security for the performance of an obligation.

1.31 "Mortgagee" means the holder of a recorded Mortgage encumbering a Lot and the Home thereon, if any.

1.32 "Person" means any natural person or artificial entity having legal capacity.

1.33 "Property" means the real property described in Article II of this Declaration.

1.34 "Resident" means a permanent occupant of a Home who is not a Homeowner, but occupies pursuant to a lease or other formalized arrangement with such Homeowner pursuant to the terms of this Declaration, including all approvals required therein.

1.35 "Rules and Regulations" means the rules and regulations adopted by the Board, as same may be amended from time to time.

1.36 "Subdivision" means the subdivision project known as Townhomes at Portico.

1.37 "Transfer of Control" means that date upon which Declarant transfers majority control of the Board as provided in Section 5.4 hereof.

1.38 "WMD" means the South Florida Water Management District.

1.39 "Work" means the development of all or any portion of the Property as a residential community by Declarant's construction and installation of streets, dwellings, buildings, and other improvements and the sale or other disposition of the Property and improvements thereon as completed Lots.

The term "Article" and the term "Paragraph" where used throughout this Declaration shall mean the same, unless the context requires otherwise. The term "Section" where used throughout this Declaration shall refer to that portion of the Article indicated, unless the context requires otherwise.

Capitalized terms that are used but undefined in this Declaration shall have the same meanings as set forth in the other Governing Documents (including, without limitation, the exhibits to this Declaration).

Unless the context expressly requires otherwise: (i) the use of the singular includes the plural and vice versa; (ii) the use of one gender includes all genders; (iii) the use of the terms "including" or "include" is without limitation; (iv) the use of the term "Lot" includes any portion applicable to the context thereof, any and all improvements, fixtures, trees, vegetation, and other property from time to time situated thereon, and any and all appurtenant rights, unless the context otherwise dictates; and (v) the words "must," "should," and "will" have the same legal effect as the word "shall." This Declaration should be interpreted, construed, applied, and enforced in a reasonable, practical manner to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Lots by providing a common plan for their development and enjoyment. The various headings used in this Declaration are for indexing and organizational purposes only and are not to be used to interpret, construe, apply, or enforce its substantive provisions.

Article 2: Property Subject to this Declaration

2.1 Subject Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the County and is more particularly described in Exhibit A attached hereto and incorporated by reference as fully as if specifically repeated herein, and all of which real property shall hereinafter be referred to as "Property."

2.2 Expansion of Subdivision. Declarant has the right, acting in its sole discretion, but not the obligation, to expand the Subdivision from time to time by adding additional land, or to change the number or type of Lots, Homes, and any other residential, amenities or other features of the Subdivision.

2.3 Long-Term Development; Non-Binding Plans. From time to time, Declarant and/or others may present to the public drawings, renderings, plans or models showing possible future development of the Property and the Subdivision. Declarant does not represent, warrant and/or guarantee that the development programs or features of any such drawings, renderings, plans and/or models will be carried out or how the future improvements, if any, within the Property will actually be developed and/or built. Any such drawings, renderings, plans and/or models are conceptual in nature and do not represent a final development or improvement plan. Each Homeowner acknowledges, covenants and agrees that Declarant shall have no liability to any Homeowner or other party for any changes to, or failure to complete, any development and/or improvements in accordance with any drawings, renderings, plans and/or models.

Each Homeowner further acknowledges that the development of the Property may extend over a number of years, and each Homeowner specifically and voluntarily agrees and consents to all changes in the following:

2.3.1 uses or density of Lots within the Property;

2.3.2 the architectural scheme of the Property; and/or

2.3.3 the architectural pattern of the Property.

Each Homeowner acknowledges and agrees that the Homeowner is not entitled to rely upon, and has not received and/or relied upon, any representations, warranties and/or guarantees of any type or nature whatsoever as to the current or future: design, construction, completion, development, use, benefits and/or value of land within the Property; number, types, sizes, prices and/or designs of any Home, structure, building, facilities, amenities and/or improvements built or to be built in or on any portion of the Property; and/or use or development of any land, real property, personal property, building, structure and/or improvement adjacent to or within the vicinity of the Property.

Article 3: Property Rights; Common Property; Covenants, Easements and Restrictions

3.1 Appurtenances; Extension of Rights and Benefits.

3.1.1 The benefit of all rights and easements granted by this Declaration with regard to the Common Property constitute a permanent appurtenance to, and will pass with, the title to every portion of the Property enjoying such benefit. Whenever any such rights or easements are described as non-exclusive by this Article, its benefit nevertheless is exclusive to all Homeowners and other Benefited Parties granted such benefit by this Article, unless this Article expressly grants such benefit to other Persons. In no event will the benefit of any such easement extend to the general public.

3.1.2 Every Homeowner shall automatically have the rights and easements of enjoyment vested in such Homeowner under this Article extended to each of the applicable Benefited Parties, and to such other persons as may be permitted by the Association.

3.2 Common Properties; Easements.

3.2.1 All Common Property owned or leased by Association shall be held by the Association for the use and benefit of the Association, the Benefited Parties, and any other Persons authorized to use the Common Property or any portion thereof by Declarant or the Association.

3.2.2 All Common Property shall be used for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to (a) the terms of this Declaration, (b) the terms of any easement, restriction, reservation or limitation of record affecting the Common Property or contained in the deed or instrument conveying the Common Property to the Association, and (c) any rules and regulations adopted by the Association.

3.2.3 The rights and easements of the Benefited Parties and, in general, the use of the Common Properties, shall be subject to the following:

(a) The right of the Association to limit the use of the Common Properties.

(b) The right of the Association to suspend the enjoyment rights of an Homeowner, if and up to the maximum extent permitted by law, for any period during which any Assessment remains unpaid, or for any infraction of the Rules and Regulations or this Declaration.

(c) The right of the Association to dedicate or transfer all or any part of the Common Property owned by the Association to any governmental body, quasi-governmental body, public agency, authority or utility for purposes associated with such entities. No such dedication or transfer shall be effective unless the Members entitled to cast at least 67% of the total Class A votes and 100% of the

Class B votes (as defined in Section 5.2 hereof) agree to such dedication or transfer; provided, however, that this paragraph shall not preclude (a) the Association, on or before Transfer of Control, from dedicating or transferring all or any portion of the Common Property owned by the Association to any public agency, authority or utility for such purposes without the consent of the Homeowners; (b) the Board from granting specific easements for the installation and maintenance of electrical, telephone, special purpose cable for television and other uses, water and sewer, fire protection, trash collection and utilities and drainage facilities and other utilities or services of the like, upon, over, under and across the Common Property without the consent of the Members; or (c) prevent Declarant from granting such specific easements with regard to any portion of the Property owned by Declarant, including any Common Property, without the consent of the Members.

(d) The right of the Association to impose reasonable Rules and Regulations with respect to the use of the Common Properties in addition to those set forth herein.

(e) The restrictions and conditions of any applicable zoning ordinance or development order, or any other regulation, rule or statute.

3.2.4 Restrictions on Use. The Association may restrict use of any portion of the Common Property when the nature of such property is not intended for the use of some of the Benefited Parties or may restrict the type of use or times of use in any way deemed appropriate by the Board. A non-exclusive easement and right for such use of the Common Property is hereby created in favor of all Benefited Parties, appurtenant to the title to their portion of the Property, subject to any rules and regulations promulgated by the Association. In addition, (a) Declarant shall have the right, in its sole discretion, to permit access to and use of the Common Property to and by individuals other than as so described herein for so long as Declarant owns any portion of the Property, and (b) Declarant retains and reserves the right to grant easements and rights of way in, to, under and over the Common Property so long as Declarant is a member of the Association for such purposes as Declarant shall reasonably deem necessary or helpful in connection with the development, sale or operation of the Subdivision.

3.2.5 Additions, Alterations or Improvements.

(a) On or before Transfer of Control, the Association shall have the right to make additions, deletions, alterations or improvements to the Common Property (if any) and to purchase any personal property as it deems necessary or desirable from time to time. The cost and expense of any such additions, deletions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a common expense.

(b) Subsequent to Transfer of Control, the Association shall have the right to make additions, alterations or improvements to the Common Property, and to purchase any personal property as it deems necessary or desirable from time to time; provided, however, that the approval of a majority of the Members present in person or by proxy at a duly called meeting of the Association shall be required for any addition, alteration or improvement, or any purchase of personal property, for which the annual expense exceeds 10% of the annual budget in effect at the time the addition, alteration, improvement or purchase is contemplated by the Association. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Property, or any existing improvements or personal property associated therewith, or with respect to any property being conveyed to the Association by Declarant. The cost and expense of any such additions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a Common Expense.

(c) So long as Declarant owns any portion of the Property, Declarant shall have the right to make any additions, alterations or improvements to the Common Property, or to amend the description of the Common Property, as may be desired by Declarant in its sole discretion from time to time, at Declarant's expense.

3.2.6 Boundary Wall/Fence Easement. An easement is hereby reserved to Declarant and granted to the Association and for the purpose of engineering, designing, constructing and maintaining any boundary wall/fence that may be constructed by Declarant or the Association, which boundary

wall/fence shall be solely maintained by the Association and the costs for which shall constitute a Common Expense. If and when a boundary wall/fence has been constructed, the location of the easement with regard thereto shall be where the boundary wall/fence exists and such area adjacent to the boundary wall/fence necessary for ingress and egress and to construct and maintain such boundary wall/fence. The blanket easement hereby granted shall not interfere with the provisions for access to Homes and Lots by curb cuts, driveways and the like.

3.2.7 Easement for Party Walls. All dividing walls which straddle the boundary line between Lots and the Homes constructed thereon and which stand partly upon one Lot and partly upon another, and all walls which serve two or more Lots or the Homes constructed thereon, shall at all times be considered "Party Walls," and each of the Homeowners of Lots within which such Party Walls shall stand, serve or benefit shall have the right to use said Party Wall below and above the surface of the ground and along the whole length or any part of the length thereof for support of the permitted improvements located within said Lots, and for the support of any Home, constructed to replace the same, and shall have the right to maintain in or on said wall, any pipes, ducts or conduits originally located therein or thereon subject to the following restrictions:

(a) No Homeowner nor any successor in interest to any such Homeowner shall have the right to extend said Party Wall in any manner, either in length, height or thickness.

(b) In the event of damage to or destruction by fire or other casualty of any Party Wall, including the foundation thereof, the Homeowner of any Lot upon which said Party Wall may rest shall have the obligation to repair or build such wall and the Homeowner of each Lot upon which such Party Wall shall rest, be served or be benefited by shall pay his allocated portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, and in such workmanlike manner with materials comparable to those used in the original Party Wall, and shall conform in all respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. Whenever any such Party Wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original Party Wall.

(c) The foregoing provision of this Section 3.2.7 notwithstanding, the Homeowner of any Lot, or other interested party, shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Homeowner, or other interested party, to contribution from any other Homeowner under this Section 3.2.7 shall be appurtenant to the land and shall pass to such Homeowner's or other person's successors in title.

The title held by each Homeowner to the portion of each Party Wall within such Homeowner's Lot is subject to a cross easement in favor of the adjoining Homeowner for joint use of said Party Wall.

3.2.8 Easement for Marketing and Sale of Lots and Homes. In addition to the rights reserved elsewhere herein, Declarant reserves an easement for itself and its nominees over, upon, across and under the Property to promote or otherwise facilitate the sale and/or leasing of Lots and Homes and other lands designated by Declarant. Without limiting the foregoing, Declarant specifically reserves the right to use all paved roads and rights of way within the Property for vehicular and pedestrian ingress and egress within the Property. Declarant has the right to use all portions of the Property in connection with its marketing and sales activities, including, without limitation, allowing members of the general public to inspect model homes, installing signs and displays, holding promotional parties and picnics, and using the Property for every other type of promotional or sales activity that may be employed in the marketing of new and used residential homes and units owned by Declarant. The easements created by this Section 3.2.8, and the rights reserved herein in favor of Declarant, shall be construed as broadly as possible and supplement the rights of Declarant set forth herein. At no time shall Declarant incur any expense whatsoever in connection with its use and enjoyment of such rights and easements.

3.2.9 Utility Easements.

(a) Easements for installation and maintenance of utilities (including, but not limited to, those required for cable television service) and drainage facilities are reserved as shown on the

Plat or as otherwise granted by Declarant and recorded by separate instrument in the public records of the County. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channel in the easements, or which are or might be prohibited by the public authority to whom said easement is given.

(b) In addition to the above, Declarant hereby reserves unto itself and its successors and assigns an easement over, under, across and through the Common Property as may be required for the construction, maintenance and operation of a two-way communication and monitored access control system. Such utilities, as well as Declarant, and their respective agents, employees, designees and assigns shall have full rights of ingress and egress over any Lot for all activities appropriately associated with the purposes of said easements.

(c) Declarant hereby grants to the Governmental Entities an easement over, under, across and through the Common Property as may be required for the construction, maintenance and operation of certain utility services.

(d) In the event that a Lot contains lines, pipes, wires, ducts, vents, cable, conduits and other facilities pertaining to the provision of electricity, water, sewer, stormwater, Subdivision Systems and Services (as defined hereinafter) and/or other utilities to more than just that one Lot, i.e., to adjacent Lots or Lots in close proximity ("Multi-Use Utilities Facilities"), then a perpetual, non-exclusive easement is hereby created and declared under, over, across and through such Lot to permit:

(i) the use of such Multi-Use Utilities Facilities by the Lot(s) lying adjacent to or in close proximity the Lot containing such Multi-Use Utilities Facilities, so as to enable the use of such utilities within such affected Lots; and

(ii) all applicable utility providers and Governmental Entities (collectively, "Providers") to install, maintain, repair, replace, modify, remove and/or reconstruct the Multi-Use Utilities Facilities as may be necessary from time to time in order to ensure the provision of services to the various Lots. For purposes of clarity, a Provider shall have a right of entry upon a Lot containing Multi-Use Utilities Facilities, upon prior written notice provide to the applicable Homeowner(s) (except in the event of an emergency), to undertake any or all of the activities contemplated hereunder; provided, however, that such right of entry shall not be construed or interpreted to mean a right of entry to and within a Home, except in the event of an emergency. A Provider's exercise of its rights under the foregoing shall not unreasonably interfere with the use of the affected Lot(s) for their residential and intended purposes. A Provider, upon undertaking any of the foregoing activities, shall be required to return the affected Lot(s) their physical condition immediately existing prior to commencement of the activities.

(iii) The foregoing easement rights shall exist for so long as the use of the easement does not materially impair the ability of a Homeowner to use the Lot for residential purposes.

(iv) The Homeowner of a Lot containing Multi-Use Utilities Facilities shall do nothing within, upon or outside of a Lot which interferes or impairs, or which may interfere or impair, the provision of such Multi-Use Utilities Facilities to other Lots, or with the easement rights declared and created in this Section 3.2.9(d).

3.2.10 Drainage Easements. Drainage easements have been declared and reserved as shown on and created by the Plat and as described herein. Each Homeowner of any Lot encumbered by a drainage easement upon which a drainage berm and/or swale is located shall be solely responsible for the repair, replacement and maintenance of such drainage berm and/or swale. Alteration, obstruction, modification, removal and/or any change of any kind to any drainage swale, drainage berm or drainage control facilities and/or structures is expressly prohibited. In the event that any Homeowner fails to repair, replace and maintain any drainage swales and/or drainage berms, and/or alters or obstructs any piping, drainage swales, drainage berms, facilities and/or structures, the Association or the CDD (as the case may be) may repair, replace and maintain such drainage swales, drainage berms, facilities and structures and assess such Homeowner as a Specific Assessment for the costs and expenses incurred in order to

accomplish the foregoing. Each Homeowner hereby grants an easement and license to Declarant, the Association and the CDD over, upon, under, through and across such Homeowner's Lot in order to facilitate and accomplish the foregoing. Further, no Homeowner shall place, erect, install and/or construct any improvements of any kind or otherwise permit anything to occur within any drainage easement area which would in any way affect said drainage easement or any swale, berm, pipe or drainage control facility or structure located therein or thereon, or prohibit or restrict the flow of stormwaters, unless, in the event of construction of any improvements, such improvements have been approved by the ARC or are otherwise permitted by the County, the Master Association, the Association and/or the CDD. Notwithstanding any provision herein to the contrary, all drainage lines, pipes and facilities contained within and under a Lot (whether or not contained within a dedicated drainage easement as depicted on the Plat) shall be maintained by the Association. All drainage easement areas shall remain accessible at all times to the Master Association, the Association and the CDD.

3.2.11 General Access Easement in Favor of the Master Association and the Association. Easements over, under, across and through each Lot and the Common Properties are hereby expressly granted to the Master Association and the Association for the purpose of making any repairs or performing any maintenance provided for or required by this Declaration, regardless of whether such repairs or maintenance directly benefit the Lot upon which they are performed.

3.2.12 Easement for Encroachments; Right of Entry. Each Lot and the Common Property are hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the use, construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot, including, but not limited to, driveways, walkways and roof structures which overhang and encroach upon the servient Lot or Common Property, if any, provided that such structures were constructed by Declarant or the construction of such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to make full use of such structure for its intended purposes and to maintain, repair and restore any improvements located on the dominant tenement; provided, however, that any such entry made for purposes of maintenance, restoration or repair shall be limited to daylight hours and shall only be made with the prior knowledge of the owner of the servient tenement. In case of emergency, the right of entry for maintenance, restoration or repair shall be immediate, not restricted as to time, and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this paragraph. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at that owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvement, material or other obstacle was placed in or over the easement area.

3.2.13 Maintenance of Easements. The easement area of each Lot and all improvements in it shall be maintained by the Homeowner of the Lot, except for (a) those Subdivision improvements for which a public authority or utility company is responsible, and (b) those areas described in this Declaration as being the responsibility of the Association.

3.3 Lots. The following covenants, restrictions and easements are hereby imposed on each Lot in the Subdivision:

3.3.1 General Restrictions. The following restrictive covenants are easements and covenants running with the land and are binding upon all Homeowners, Authorized Users, and other occupants and their respective successors and assigns:

(a) No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles or Bylaws, the Association shall not be liable to any person(s) for

its failure to enforce the provisions of this Section. No activity specifically permitted by this Declaration shall be deemed a violation of this Section.

(b) Transfer or Lease of a Lot. The provisions of Section 24.13 of the Master Declaration pertaining to the transfer or lease of a Lot shall be controlling. No amendment to this Section 3.3.1(b), or creation of any provision in this Declaration which would be contrary to the terms and provision of Section 24.13 of the Master Declaration, shall be permitted without the prior written consent of the Master Association (as evidenced by signature of the Master Association's president following approval of the Master Association's board of directors).

3.3.2 Access by Association. The officers, employees, or designated agents of the Association have a right of entry onto the exterior of each Lot to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of the Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times, and the entry may be only upon reasonable notice whenever circumstances permit. Entry into any improvement upon any Lot may not be made without the consent of its Homeowner or occupant for any purpose, except pursuant to court order, other authority conferred by law or in the event of an emergency. Such consent will not be unreasonably withheld or delayed.

3.3.3 General Easements. In the event that any part of any Home or Lot encroaches or shall hereafter encroach upon any part of any other Lot or the Common Property, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Homeowner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Home or Lot of another Homeowner and if it occurred due to the willful conduct of any Homeowner.

3.3.4 Easement for Irrigation. The Master Association, the Association and the Declarant shall each have a perpetual, non-exclusive easement over, across, under and through each of the Lots and the Common Property for purposes of installing, maintaining, repairing, replacing and/or reconstructing all lines and facilities pertaining to the irrigation system for the Subdivision, as and to the extent same shall be a part of the Association's obligations as pertaining to the Lots.

3.4 Ingress and Egress. Each Homeowner shall have a perpetual, unrestricted easement over, across and through the Common Property for the purpose of ingress to and egress from his Lot, subject only to the right of the Association to impose reasonable and non-discriminatory rules and regulations governing the manner in which such easement is exercised, which easement shall be appurtenant to and pass with ownership to each Lot.

3.5 Continuous Maintenance of Easements Pertaining to Surface Water Drainage and Management System.

3.5.1 To the extent that one or more portions of the Surface Water Drainage and Management System constitute a part of the Common Property, the Association shall be responsible for the continuous maintenance of the easements and rights-of-way pertaining to such portions of the Surface Water Drainage and Management System.

3.5.2 The Master Association shall be responsible for the continuous maintenance of the easements and rights-of-way pertaining to such portions of the Surface Water Drainage and Management System for which the Master Association has responsibility.

3.5.3 The CDD shall be responsible for the continuous maintenance of the easements and rights-of-way pertaining to such portions of the Surface Water Drainage and Management System for which the CDD has responsibility.

3.5.4 The obligations of this Section 3.5.4 shall run with the land as do other provisions of this Declaration, and any Homeowner may enforce this covenant and will be entitled to costs and fees, pursuant to Section 15.1 hereof, which result from such enforcement.

3.6 Dedications. Declarant hereby reserves the right to dedicate, grant or convey any portion of the Property owned by it, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company. Declarant also shall have the right to direct the Association to likewise dedicate, grant or convey any Common Property, or any interest or easement in any Common Property, owned by the Association whereupon the Association shall execute such documents as will be necessary to effectuate such dedication; provided, however, that this right of Declarant shall terminate when Declarant either is no longer a Member or has duly executed and recorded in the public records of the County a notice releasing and waiving this right, whereupon the right shall be vested solely within the Association. Any portion of the Property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this provision shall not be subject to this Declaration, unless the instrument so dedicating, granting, or conveying such portion of the Property, interest or easement specifically provides that same shall remain subject to this Declaration.

3.7 Subdivision Systems and Services. Declarant reserves for itself, its successors and assignees and the Association the exclusive and perpetual right to provide and operate, or to permit others to provide and operate, within the Property, such telecommunication systems (including, without limitation, cable television, satellite television, intranet, internet, telephone and other systems for receiving, distributing and transmitting electronic data, signals, and audio or visual communications), systems and services, utilities, and similar systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation and/or provision thereof (collectively, the "Subdivision Systems and Services") on a reasonably competitive basis, as Declarant, in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed to provide such services in the area where the Property is located, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable. Declarant and/or the Association may receive, and shall be entitled to retain, any rebate, credit, fee, and/or incentive relating to the installation, operation, and/or provision of any Subdivision Systems and Services. Declarant and/or the Association may require that the Board enter into agreements for the provision of Subdivision Systems and Services to all Lots as part of the Common Expenses. If particular services or benefits are provided to particular Homeowners or Lots at their request, the benefited Homeowner(s) shall pay the service provider directly for such services, or the Association may assess the costs as an Assessment (the type of which shall depend upon the circumstances). No Homeowner may avoid liability for the charges associated with the Subdivision Systems and Services by electing not to utilize the Subdivision Systems and Services.

Article 4: Use Restrictions

4.1 General Applicability to the Property.

4.1.1 The provisions of Article 6 of the Master Declaration shall control and supersede any provisions in this Declaration to the contrary, unless the provisions of this Declaration are specifically authorized and permitted. Accordingly, all use and development of the Property shall conform to the provisions of the Master Declaration and this Declaration and any other restrictive covenants recorded against all or a portion of the Property, as may be amended from time to time. The Property shall be used only for residential and related purposes.

4.1.2 The Association, acting through the Board, shall have standing and the power to enforce standards imposed by the Master Declaration and this Declaration, and each Homeowner, by virtue of taking title to a Lot, hereby agrees and consents, and shall be deemed to agree and consent, to the Association's powers under this Section 4.1.

4.2 Specific Exemption for Declarant. Notwithstanding anything to the contrary herein, Declarant shall be exempt from application of the terms and provisions of this Article so long as it owns any

portion of the Property. This Section 4.2 may not be amended without the prior written consent of Declarant for so long as Declarant owns any Lot in the Subdivision.

4.3 Provisions Not Comprehensive. This Article contains provisions and restrictions which permit or prohibit certain conduct or uses and which may require certain permitted uses to be approved by the ARC pursuant to the Master Declaration. The provisions and restrictions of this Article are illustrative only and shall in no event be deemed a comprehensive list of items subject to approval hereunder.

4.4 Rules and Regulations. The Association, acting through its Board, shall have the authority to make and to enforce reasonable Rules and Regulations which provide standards governing the use of the Property, in addition to those contained herein or in the Master Declaration or in rules and regulations promulgated by the Master Association's board of directors.

4.5 Homeowners and Authorized Users Bound; Homeowner's Liability.

4.5.1 In General. Use restrictions shall be binding upon all Homeowners and Authorized Users of Lots and other portions of the Property. All provisions of the Governing Documents which govern the conduct of Homeowners and which provide for sanctions against Homeowners shall also apply to all Authorized Users. Every Homeowner shall cause his or her Authorized Users to comply with the Governing Documents, and shall be responsible for all violations and losses to the Property caused by such Authorized Users, notwithstanding the fact that such Authorized Users are fully liable and may be sanctioned for any violation of the Governing Documents.

4.5.2 Right to Cure. Should any Homeowner do any of the following:

(a) fail to perform its responsibilities as set forth herein or otherwise violate or breach the provisions of the Governing Documents; or

(b) cause any damage to any improvement or to any portion of the Property or the Common Property; or

(c) impede Declarant or the Association from exercising its rights or performing its responsibilities hereunder, including obligations under any applicable permits; or

(d) undertake unauthorized improvements or modifications to a Home, the Property or the Common Property; or

(e) impede Declarant from proceeding with or completing the development of the Subdivision,

Declarant and/or the Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure such violations or breaches, including, but not limited to, by entering upon the Home and/or Lot and causing the violation or breach to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost of curing such violations or breaches, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, shall be assessed against the Homeowner as a Specific Assessment.

4.5.3 Non-Monetary Defaults. In the event of a violation or breach by any Homeowner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Declarant or the Association shall notify the Homeowner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within 7 days after receipt of such written notice, the party entitled to enforce same may, at its option:

(a) commence an action to enforce the performance on the part of the Homeowner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

(b) commence an action to recover damages; and/or

(c) take any and all actions reasonably necessary to correct the violation or breach.

All expenses incurred in connection with the violation or breach, or the commencement of any action against any Homeowner, including reasonable attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, shall be assessed against the Homeowner as a Specific Assessment, and shall be immediately due and payable without further notice.

4.5.4 No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

4.5.5 Rights Cumulative. All rights, remedies, and privileges granted to Declarant, the Association and/or the ARC pursuant to any terms, provisions, covenants or conditions of this Declaration, or the ARC Guidelines, shall be deemed to be cumulative, and the exercise of any one or more of same shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

4.5.6 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or the ARC Guidelines may be enforced by Declarant and/or, where applicable, the Master Association or the Association (as the case may be) by any procedure at law or in equity against any person violating or attempting to violate any provision herein or contained in the ARC Guidelines, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein or in the ARC Guidelines. The expense of any litigation to enforce this Declaration or the ARC Guidelines shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the ARC Guidelines.

4.6 Access by Association. The officers, employees or designated agents of the Association have a right of entry onto each Lot, except those owned by Declarant, to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of this Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and the entry may be only upon reasonable notice whenever circumstances permit. Entry into the interior of any Home may not be made for any purpose without the consent of its Homeowner or occupant, except pursuant to court order or other authority conferred by law. Such consent will not be unreasonably withheld or delayed.

4.7 Mailboxes. In accordance with Section 6.40 of the Master Declaration, the Association is the party responsible for replacement and maintenance of mailboxes for the Subdivision and any light fixtures related thereto; such mailboxes shall either be located within the Common Property or on lands lying in close proximity to the Property for which the Association shall have an easement.

4.8 Fences. No fences shall be permitted upon the Lots, it being Declarant's intent to have a uniform aesthetic within the Subdivision. No amendment to this Section 4.8 shall be effective without the express prior written consent of Declarant for so long as Declarant owns any property within the Community.

4.9 Requirement for Declarant Consent for Amendments. No amendment to any provision contained in this Article 4 may be amended without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

Article 5: Membership and Voting Rights

5.1 Membership. Every Homeowner of a Lot that is subject to assessment under Article 8 of this Declaration shall become a Member upon the recording of the instrument of conveyance. If title to a Lot is held by more than one person, each such person is a Member. A Homeowner of more than one Lot is entitled to one membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot whether or not mention thereof

is made in such conveyance of title. No person other than a Homeowner may be a Member, and a membership in the Association may not be transferred except by the transfer of title to a Lot; provided, however, the foregoing does not prohibit the assignment of membership and voting rights by a Homeowner who is a contract seller to such Homeowner's vendee in possession.

5.2 Voting. The Association shall have two (2) classes of voting membership: Class A and Class B. So long as there is Class B membership, Class A Members are all Homeowners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as provided below, Class A Members are all Homeowners, including Declarant so long as such Declarant is a Homeowner. Subject to the provisions of Section 5.3 of this Article, Members shall cast votes in accordance with the applicable provisions of the Bylaws, as there are different votes allocated to Class A and Class B members; however, as provided in the Articles and/or Bylaws, the Class B Members are entitled to elect a majority of the Association's directors until termination of Class B membership.

5.3 Co-Ownership. If more than one person owns an interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-owners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held in a tenancy by the entireties, either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing.

5.4 Transfer of Control of the Association.

5.4.1 Transfer of Control shall occur upon which Class B membership ceases to exist and is converted into Class A membership, which shall be on the earlier of (a) a triggering event contained in Section 720.307(1) of the Act, or (b) the date that Declarant waives in writing its right to Class B membership, which waiver shall be evidenced by the recording of a certificate to such effect in the public records of the County.

5.4.2 Subsequent to Transfer of Control, Declarant shall be entitled to elect at least one member of the Board (and in fact shall be entitled to elect all members of the Board which will constitute one less than a majority of the members of the Board) as long as Declarant holds for sale in the ordinary course of business at least 5% of the Lots that may be constructed in all phases of the Subdivision that will ultimately be operated by the Association.

5.4.3 After Declarant relinquishes control of the Association, Declarant may exercise the right to vote in the same manner as any other Member, except for purposes of reacquiring control of the Association by selecting the majority of the members of the Board of Directors.

5.5 Termination of Class B Membership. Upon Transfer of Control, Class B membership shall terminate and Declarant shall own portions of the Property in the same manner as a Class A Member.

Article 6: Duties and Obligations of the Association

6.1 Duties and Obligations of the Association.

6.1.1 The Association shall govern, make Rules and Regulations, and control and manage the Lots and Common Properties located on the Property pursuant to the terms and provisions of this Declaration and the Articles and Bylaws.

6.1.2 The Association shall have the obligation and responsibility for the hiring of certain personnel and purchasing and maintaining such equipment as may be necessary for maintenance, repair, upkeep and replacement of any Common Properties and facilities which may be located thereon, the performance of any of its maintenance obligations and performance of such other duties as are set forth herein, as follows:

(a) Notwithstanding the foregoing, the Association may, but is not obligated to, employ community access or patrol services or personnel. If community access or patrol services or personnel are employed by the Association, the Board shall determine, in its sole discretion, the schedule and cost of expense of such access or patrol services or personnel. Declarant, while in control of the Association, does not intend to hire or pay for access or patrol services or personnel. Each Homeowner, by virtue of taking title to a Lot, consents and agrees that Declarant is and shall be under no obligation to provide any access or patrol services or personnel within the Subdivision, and shall hold Declarant harmless for any occurrences in such regard.

(b) Declarant and/or the Association may, but shall not be obligated to, maintain or support certain activities within the Property and the Subdivision designed to make the Property and the Subdivision more secure than they otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security or safety within the Property. Neither the Association nor Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security or safety measures undertaken. All Homeowners and occupants of any Home or Lot, Residents, Authorized Users, tenants, guests and invitees of any Homeowner or Authorized User, as applicable, acknowledge that Declarant and the Association, and the officers, directors and supervisors of each of them, do not represent or warrant that any fire protection system, electronic monitoring system or other security system designated by or installed according to guidelines established by Declarant or the ARC may not be compromised or circumvented, that any fire protection or electronic monitoring systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, and that fire protection or electronic monitoring systems or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Homeowner and occupant of any Home, and each Resident, Authorized User, tenant, guest and invitee of a Homeowner, as applicable, acknowledges and understands that each Homeowner and occupant of any Home and each Authorized User, tenant, guest and invitee of any Homeowner assumes all risks for loss or damage to persons, to Lots and Homes and to the contents of Homes and further acknowledges that the Association and Declarant have made no representations or warranties nor has any Homeowner, Authorized User, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or electronic monitoring systems or other security systems recommended or installed or any security measures undertaken within the Property and the Subdivision.

6.1.3 The Association shall maintain the Common Properties and pay the real property ad valorem taxes and governmental liens assessed against the Common Properties and billed to the Association. Should real property ad valorem taxes or governmental liens as to any Common Properties be assessed against the billed Lots, the Board shall have the right to determine, in its sole discretion, if the Association should pay all or any portion of said bill(s) for taxes or liens, and such amount as they determine should be paid by the Association shall be levied as a Special Assessment pursuant to Article 8 of this Declaration.

(a) The Association shall maintain any and all landscaping islands and all landscaping and/or signage located, placed, installed or erected thereon, if any.

(b) The Association shall care for and maintain any entryway walls and signage intended for and/or identifying the Property and shall maintain any landscaping located within the Common Property, road right-of-way or any landscaping easement which is owned by or runs in favor of the Association, which maintenance activities may, but not necessarily will, include without limitation any of the following: replacement and/or replanting of existing landscaping, excavation, construction of berms, and installation, maintenance and repair of irrigation facilities.

6.1.4 With respect to the improvements upon the Lots, the Association shall be responsible for:

(a) painting of all exterior surfaces of the Homes, except as otherwise specifically provided herein to the contrary;

(b) caulking of the exterior portions of all windows and doors;

(c) maintain, clean, repair and/or replace the roofs of the Homes (defined for purposes herein to mean the shingles and roof decking, but specifically excluding the structural components of the roofing system);

(d) the lawns/sod and landscaping contained within a Lot (provided, however, that the Homeowner remains the owner of the lawn/sod and landscaping contained on such Homeowner's Lot and shall be responsible for replacement of any and all lawn/sod and landscaping);

(e) pressure cleaning, as determined by the Board from time to time, but not more than once per year, of driveways, front sidewalks, exterior front steps, roofs, and the exterior walls of all Homes;

(f) all rear yard swales and water management features contained on a Lot (if not otherwise the responsibility of the Master Association); and

(g) all originally-installed lines, pipes, sprinkler heads and facilities necessary for the irrigation of the lawns and landscaping within the Lots (provided, however, that any lines, pipes, sprinkler heads and facilities added by the Homeowner, and replacement of any lines, pipes, sprinkler heads and facilities which does not pertain to damage resulting from the Association's maintenance of lawns/sod and landscaping on a Lot, shall be the sole responsibility of the Homeowner).

Notwithstanding the foregoing, the Association shall not be responsible for painting, repair or replacement (as the case may be) of any component of a Lot which results from or is necessitated by fire or other casualty. To the extent such painting, repair or replacement is necessitated by the negligence or misconduct of the Homeowner, tenants, guests or invitees, or of other Homeowners or their tenants, guests, or invitees, the cost and expense thereof shall be paid by such Homeowners. Except as otherwise provided herein, routine maintenance and repair expenses incurred by the Association shall be Common Expenses.

The costs and expenses of the foregoing Association responsibilities constitute the basic and general expenses of the Association, and said expenses are to be paid by Members as hereinafter provided, except as otherwise provided herein. It shall be the duty and responsibility of the Association, through the Board, to fix and determine from time to time the sum or sums necessary and adequate to provide for the expenses of the Association. The procedure for the determination of such Assessments shall be as hereinafter set forth in this Declaration or the Bylaws or the Articles. The Board shall have the power and authority to levy a Special Assessment, should one become necessary, as determined by it in its sole discretion, and said Special Assessment shall be determined, assessed, levied and payable in the manner determined by the Board as hereinafter provided in this Declaration or the Articles or the Bylaws. A General Assessment shall be payable in advance or monthly, quarterly, or on a semi-annual or annual basis or otherwise as determined by the Board.

6.2 Management Contracts and Leases of Common Property. The Association shall expressly have the power to contract for the management of the Association and/or the Common Property, if any, further having the power to delegate to such contractor any or all of the powers and duties of the Association respecting the contract granted or property demised. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association.

6.3 Actions of the Initial Board. The undertakings and contracts authorized by the first Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board duly elected by the membership of the Association.

Article 7: Maintenance of Homes and Lots; Failure to Maintain; Insurance

7.1 Homeowner Maintenance Responsibilities.

7.1.1 Except as otherwise provided herein, each Homeowner shall be responsible for the maintenance, repair and replacement of all improvements on such Homeowner's Lot and such other areas as are provided herein. Any area or matter not specifically required to be maintained, repaired or

replaced by the Association shall be maintained, repaired and replaced by the Homeowner. A Homeowner shall undertake all personal activities so as to keep and maintain that Homeowner's Lot and the Home and Lot in good repair and in a neat and attractive condition at all times. The minimum, but not exclusive, standard for maintenance of improvements shall be consistency with the Community-Wide Standards and with the general appearance of the other occupied improvements or Lots in the Property as a whole when initially constructed and improved.

7.1.2 A Homeowner's maintenance responsibilities as set forth in this Declaration are mandatory and shall be complied with even if a Homeowner does not reside on and/or occupy such Homeowner's Lot. A Homeowner may not waive or otherwise avoid applicable maintenance responsibilities by abandonment of such Homeowner's Lot.

7.2 Failure to Maintain Home and/or Lots. In the event an Owner of any Lot shall fail to maintain or repair the Lot and/or the Home in a manner required under this Declaration and as determined by the Association from time to time, within thirty (30) days' written notice of same, the Association, after approval by a majority of the members of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and/or the Home as required under this Declaration and as determined by the Association. The cost of same shall be charged to the Owner as a Specific Assessment, the nonpayment of which may lead to foreclosure of the lien for such Specific Assessment in accordance with the provisions of Article 8 hereof.

7.3 Insurance

7.3.1 Insurance Obtained by Homeowners.

(a) By virtue of taking title to a Lot, a Homeowner agrees to carry obtain and maintain a standard H06 condominium unit owners (or like) insurance policy insuring the Home and the personal property therein, all floor, wall and ceiling coverings, all built-in cabinets, appliances, water heaters, air conditioning and heating equipment, and electrical fixtures that are located within the Home and required to be repaired or replaced by the Homeowner, and all alterations, additions and improvements made to the Home or the Common Property by the Homeowner or existing as of the date that the Homeowner took title to the Lot.

(b) Each Homeowner is expected to carry homeowner's insurance, with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection, or recognize that the Homeowner bears financial responsibility for any damage to the Lot or Home or liability to others that would otherwise be covered by such insurance. In addition to the foregoing, each Owner shall be required to purchase loss assessment protection at the maximum available coverage amount pertaining to the Lot and Home.

(c) Each Homeowner covenants and agrees that in the event of either a total loss or a partial loss or damage resulting in less than total destruction of the Home and other improvements on such Homeowner's Lot, the Homeowner shall proceed promptly to repair and/or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are or may be approved in accordance with this Declaration.

(d) The Homeowner shall pay any costs of repair and/or reconstruction which are not covered by insurance proceeds.

(e) If requested, a Homeowner shall provide the Association with a copy of the insurance binder evidencing the coverage purchased and the amount of coverage.

(f) The Association shall have the power, but not the obligation, to undertake legal proceedings to compel compliance with this insurance requirement, and the Association shall have no obligation to maintain any record or log of insurance policies owned and maintained by the Homeowners.

7.3.2 Association Insurance; Duty and Authority to Obtain. The Board shall obtain and keep in force the insurance coverage as though this was a residential condominium governed by Chapter

718, Florida Statutes, as amended from time to time, and as required under this Declaration, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the Homeowners without naming them, and their Mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure. Once a permanent or temporary certificate of occupancy has been issued for any Home within a building, the Association shall then be responsible for obtaining and maintaining insurance on the entire building in accordance with this Section 7.3.

7.3.3 Required Coverage. The Association shall maintain adequate insurance covering the buildings and other improvements on the individual Lots, as well as all Common Property, in such amounts, and with such deductibles, as is determined annually by the Board to be reasonable in the exercise of its good business judgment, such insurance to afford at least the following protection:

(a) loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "all risk" property contract;

(b) premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board, with cross liability endorsement to cover liabilities of the unit owners as a group to a Homeowner. The Association's liability coverage does not extend to accidents, injuries or deaths occurring inside the Homes;

(c) automobile liability for bodily injury and property damage for owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board; and

(d) statutory fidelity bond.

7.3.4 Hazard Insurance.

(a) Every hazard insurance policy issued or renewed shall provide primary coverage for:

(i) all buildings or other Lot improvements as initially installed on a Lot or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the building was developed and the Home was initially conveyed; and

(ii) all portions of the Property for which this Declaration requires coverage by the Association.

(b) Notwithstanding any provision herein to the contrary, the terms "building(s)", or "other Lot improvements," or any other term found in this Declaration which defines the scope of property or casualty insurance that the Association is required to obtain shall exclude all floor, wall, and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments (including, but not limited to, curtains, drapes, blinds, hardware and similar window treatment components), or replacements of any of the foregoing which are located within the boundaries of a Lot and serve only one Lot and all air conditioning compressors that service only an individual Lot whether or not located within the Lot boundaries.

(c) Every hazard insurance policy issued to or renewed by an individual Homeowner shall provide that the coverage afforded by such policy is excess over the amount recoverable under any other policy covering the same property. Each insurance policy issued to or renewed by an individual Homeowner providing such coverage shall be without rights of subrogation against the Association. All real or personal property located within the boundaries of the Homeowner's Home which is excluded from the coverage provided by the Association as set forth above shall be insured by the individual Homeowner.

7.3.5 Optional Coverage. The Association may purchase and carry other such insurance coverage as the Board may determine to be in the best interest of the Association and the Homeowners. Some of the more common options include:

(a) flood insurance;

(b) broad form comprehensive general liability endorsement;

(c) directors and officers liability;

(d) medical payments;

(e) leakage, seepage and wind-driven rain;

(f) worker's compensation insurance (as and the extent applicable and/or required); and

(g) endorsement for loss by operation of local ordinance.

7.3.6 Insurance Policies as Official Records. Copies of all Association policies shall constitute a part of the Association's official records and shall be available for inspection and copying by Homeowners or their authorized representatives upon request.

7.3.7 Waiver of Subrogation. If available and where applicable, the Board shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogation as to any claim against the Homeowners, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

7.3.8 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Homeowners and their Mortgagees as their interests may appear, and all proceeds from policies purchased by the Association shall be payable only to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the Homeowners and their respective Mortgagees.

(a) Mortgagee. If a Mortgagee endorsement has been issued as to a Lot, the shares of the Mortgagee and the Homeowners shall be as their interests appear. No Mortgagee shall have the right to require application of insurance proceeds to any Mortgage it may hold against a Lot, unless insurance proceeds on account of damage to that Lot are not used for repairs, or the proceeds exceed the actual cost of repairs or reconstruction. Except as otherwise expressly provided, no Mortgagee shall have the right to participate in determining whether improvements will be repaired or reconstructed after casualty.

(b) Deductibles. The policies may provide for reasonable deductibles. In the case of property insurance, the deductible shall be paid by the party who would be liable for the loss or responsible for repairs in the absence of insurance. If multiple parties would be responsible, the deductible shall be allocated among them in proportion to the amount each party's loss bears to the total.

7.3.9 Distribution of Proceeds. Insurance proceeds from Association policies shall be distributed to or for the benefit of the Homeowners in the following manner:

(a) Costs of Protecting and Preserving the Property. If a person other than the person responsible for repair and reconstruction has properly advanced funds to preserve and protect the property to prevent further damage or deterioration, the funds so advanced shall first be repaid, with interest if required.

(b) Cost of Repair or Reconstruction. If the damage for which the proceeds are paid is to be repaired or reconstructed the remaining proceeds shall be paid to defray the costs of

reconstruction. Any proceeds remaining after repairs and reconstruction shall be distributed to the beneficial Homeowners, remittances to Homeowners and their Mortgagees being paid jointly to them.

(a) Failure to Repair or Reconstruct. If it is determined in the manner elsewhere provided in this Declaration that the damages for which the proceeds are paid shall not be reconstructed or repaired, the proceeds on account of that damage shall be distributed to the beneficial Homeowners, remittances to Homeowners and their Mortgagees being payable jointly to them.

7.4 Acknowledgement of Homeowners. **EACH HOMEOWNER, BY VIRTUE OF TAKING TITLE TO A LOT, ACKNOWLEDGES AND AGREES, AND SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED, THAT (1) THE ASSOCIATION HAS OBLIGATIONS PERTAINING TO THE HOMES AND LOTS AS PROVIDED IN SECTION 6.1 HEREOF, NOTWITHSTANDING THE FACT THAT SUCH ACTIVITIES ARE OCCURRING ON PRIVATE PROPERTY, (2) THE HOMEOWNER SHALL NOT INTERFERE WITH THE ASSOCIATION'S PERFORMANCE OF ITS DUTIES AND OBLIGATIONS AS CONTEMPLATED UNDER THIS DECLARATION, (3) DECLARANT HAS NO DUTY OR OBLIGATION WITH REGARD TO THE HOMEOWNER'S MAINTENANCE, REPAIR, REPLACEMENT AND/OR RECONSTRUCTION DUTIES AND OBLIGATIONS PERTAINING TO A HOME OR LOT UNDER THIS DECLARATION, (4) THE HOMEOWNER UNDERSTANDS AND AGREES TO ITS OBLIGATIONS FOR MAINTENANCE AND REPAIR UNDER THIS DECLARATION; AND (5) THE HOMEOWNER MUST OBTAIN INSURANCE COVERAGE TO PROTECT THE HOME AND THE LOT AS CONTEMPLATED IN SECTION 7.3 HEREOF.**

Article 8: Covenant for Assessments; Fines; Collection of Rents from Tenants

8.1 Assessments Established. Each Homeowner of any Lot, by virtue of taking title to a Lot, whether or not expressed in the instrument of conveyance, is deemed to covenant to pay to the Association:

8.1.1 General Assessments, as defined in Section 8.2 hereof; and

8.1.2 Special Assessments, as defined in Section 8.6 hereof; and

8.1.3 Specific Assessments against any particular Lot that are established pursuant to any provision of this Declaration as provided in Section 8.7 hereof;

8.1.4 All taxes, if any, that from time to time may be imposed upon all or any portion of the Assessments established by this Article.

All of the foregoing, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are a continuing charge on the land secured by a continuing lien upon the Lot against which each Assessment is made as provided in Section 8.10 hereof.

8.2 Purpose of Assessments; General Assessment. The Assessments levied by the Association must be used exclusively to promote the common good and welfare of the residents, to operate and manage the Association and the Common Properties, if any, and to perform such duties or as otherwise may be required by this Declaration and the Articles and Bylaws. To effectuate the following, the Association may levy an annual general assessment ("General Assessment") to provide and be used for the operation, management and all other general activities and expenses of the Association.

8.3 Initial General Assessment. The initial General Assessment shall be determined in the Association's initial budget and will remain in effect until a different General Assessment may be determined as provided in Section 8.4 hereof.

8.4 Determination of General Assessment. The amount of the General Assessment shall be fixed by the Board at least 30 days in advance of each General Assessment period, and shall be based upon an adopted budget. The General Assessment period shall coincide with the Association's fiscal year. Written notice of the amount of the General Assessment should be given to every Homeowner, but the failure to give or receive such notice, or both, shall not invalidate any otherwise valid Assessment. The General Assessment shall be paid in equal quarterly installments without interest until delinquent, and

prepayable in whole at any time or times during the applicable Assessment period without penalty or other consideration; provided, however, at the discretion of the Board, the General Assessment may be collected on a monthly, semi-annual or annual basis rather than collected on a quarterly basis.

8.5 Declarant's Assessments; Deficit Funding.

8.5.1 Notwithstanding any provision of the Governing Documents to the contrary, prior to Transfer of Control, Declarant shall not be obligated to pay any Assessment for any Lot which it may own during any period of time that Declarant shall be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association from all sources. The term "all sources" used in the previous sentence includes, but is not limited to, interest earned on Association deposits, revenues from the operation of Common Property, and the Assessments levied against the Members other than Declarant. Such difference, herein called the "deficit funding," shall not include any reserve for replacements, operating reserves (if any), depreciation reserves (if any) or capital expenditures. Declarant shall be obligated for deficit funding for each year of operation until such time that Declarant shall give written notice to the Board terminating its responsibility for deficit funding during the next succeeding fiscal year. Upon giving such notice, each Lot owned by Declarant for which a certificate of occupancy has been issued for the Home constructed thereon shall thereafter be assessed in the same manner as Lots owned by Homeowners other than Declarant.

8.5.2 Notwithstanding any provision herein to the contrary, any deficit funding provided by Declarant pursuant to this Section shall automatically terminate as of Transfer of Control.

8.5.3 Any surplus may either be paid to Declarant after the conclusion of the fiscal year or carried forward to the next fiscal year at the sole option of Declarant. There is no limit to the number of years for which a surplus may be accumulated. Any surplus remaining at Transfer of Control shall be paid to Declarant. In conjunction with Transfer of Control, an audit will be conducted to determine the cumulative "due to" or "due from" Declarant for the term of the deficit funding.

8.5.4 Deficit funding by Declarant under this Section 8.5 shall not preclude the levying of Special Assessments against the Homeowners to defray the costs of Association expenses not contemplated under the Association's estimated operating budget for that fiscal year.

8.5.5 Subsequent to Transfer of Control, or upon such time as deficit funding is discontinued, Declarant shall be responsible for the payment of Assessments only upon Lots which it owns and on which a Home has been constructed for which a certificate of occupancy has been issued.

8.6 Special Assessments. In addition to the General Assessment, the Association may levy in any fiscal year a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, known expenses which exceeded, or when mature will exceed, the budget prepared and on which the General Assessment was based, or as described in Section 8.5 of this Article. Notwithstanding the foregoing, no Special Assessment against the Homeowners shall exceed 1/12 of the total of the General Assessments levied against the Homeowners for that fiscal year without the prior approval of 75% of the votes eligible to be cast in Association matters. In addition, prior to Transfer of Control, the Board shall only levy a Special Assessment with the approval of a majority of non-Declarant Members at a duly-called special meeting of the Members at which a quorum is present.

8.7 Specific Assessments. Any and all accrued liquidated indebtedness of any Homeowner to the Association arising under any provision of this Declaration also may be assessed by the Association against such Homeowner's Lot after such Homeowner fails to pay it when due and such default continues for 30 days after written notice.

8.8 Uniformity of Assessments. The General Assessment and any Special Assessment must be uniform for each Homeowner throughout the Subdivision.

8.9 Commencement of General Assessment. The General Assessment as to each Lot owned by a Homeowner other than Declarant shall be prorated as of the day of closing for the current installment

period, and thereafter the first full payment shall be due and owing on the first day of the next full installment period.

8.10 Effect of Nonpayment of Assessment; Lien.

8.10.1 If any Assessment is not paid on or before the past-due date specified herein, then such Assessment shall become delinquent and shall, together with interest thereon at the maximum rate allowed under law from the due date, late charges, attorney's fees, and the cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such Assessment is made.

8.10.2 Said lien shall be evidenced by a claim of lien recorded in the public records of the County, shall be effective from and as of the time of recording and shall relate back to the original date of recordation of this Declaration, and shall continue in effect until all amounts due to the Association are paid in full, except as specifically stated below in Section 8.15. Notwithstanding the foregoing to the contrary, neither the recording of, nor failure to record, any such claim of lien will affect the existence or priority of the Association's lien.

8.10.3 Any payment received by the Association and accepted shall be applied first to any interest accrued, then to any administrative late fee, then to any fines levied by the Association pursuant to the applicable provisions of this Declaration, the Bylaws and the Act, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent and/or accelerated Assessment(s) or installment(s) thereof. This paragraph applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

8.10.4 If any Assessment, or a portion thereof, is delinquent for more than 30 days, or if a Mortgage foreclosure action is filed to foreclose a Mortgage against a Lot, then the Association may accelerate by general policy, administrative decision or otherwise the remainder of all Assessment installments for the fiscal year.

8.10.5 Except for liens for all sums validly secured by any First Mortgage, all other lienors acquiring liens on any Lot after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Article, whether or not such consent is specifically set forth in the instrument creating such lien. The recordation of this Declaration constitutes constructive notice to all subsequent purchasers and/or creditors of the existence of the Association's lien and its priority.

8.10.6 Sale or transfer of a Lot does not affect the Association's claim of lien.

8.11 Certificate. Upon demand, and for a reasonable charge, the Association will furnish to any interested person a certificate signed by an officer of the Association setting forth whether the Assessments have been paid and, if not, the unpaid balance(s).

8.12 Remedies of the Association. If any Assessment, or a Homeowner or tenant's other monetary obligation to the Association, is not paid within 30 days of its due date, the Association may proceed with all remedies available, including, but not limited to, suspending use and voting rights and bringing an action at law against the persons and entities personally obligated to pay the same, and proceeding with an action in equity to foreclose the lien against the Lot, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, interest following conclusion of the 30 day grace period at the rate of 15% per annum or such other rate as may be from time to time determined by the Board (provided, however, that such rate shall not exceed the maximum rate allowed by law not constituting usury), late charges, costs of collection and attorney's fees. The prevailing party in any such claim shall also be awarded attorney's fees and costs. No Homeowner may waive or otherwise escape liability for the Assessments. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien or its priority.

8.13 Reimbursement of Fee for Worthless Check. In the event the Association incurs any bank service charge or fee as a result of depositing a worthless or otherwise uncollectible check issued to the

Association for the payment of any Assessment or other sum due to the Association, the issuer of such worthless or otherwise uncollectible check shall reimburse the Association for such bank service charge or fee incurred, together with an administrative processing fee of $25.00.

8.14 Foreclosure. The lien for sums assessed pursuant to this Article may be enforced by judicial foreclosure in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Homeowner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. The Homeowner also is required to pay to the Association any Assessments against the Lot that become due during the period of foreclosure, which Assessments also are secured by the lien foreclosed and accounted on a pro rata basis and paid as of the date the Homeowner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Lot foreclosed, or to acquire such Lot by deed or other proceeding in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use, and otherwise deal with such Lot as its Homeowner for purposes of resale only. If any foreclosure sale results in a deficiency, the court having jurisdiction over the foreclosure may enter a personal judgment against the Homeowner for such deficiency.

8.15 Subordination of the Lien to First Mortgages.

8.15.1 The claim of lien filed by the Association shall be subordinate to the lien of any First Mortgage held by a First Mortgagee recorded and valid before the effective date of this provision.

8.15.2 If a Mortgage against a Lot (i) is properly recorded as a First Mortgage before the Association's claim of lien is recorded and (ii) maintains First Mortgage priority, then the liability of the Lot and the First Mortgagee (and its successor or assignee who acquires title to the Lot by foreclosure or by deed in lieu of foreclosure, but only if the successor or assignee is the subsequent holder of the First Mortgage) for the unpaid Assessments that became due before the First Mortgagee's acquisition of title is limited to the lesser of:

(a) The Lot's unpaid Assessments which accrued or came due during the 12 months immediately preceding the acquisition of title or for which payment in full has not been received by the Association; or,

(b) 1% of the original debt secured by the First Mortgage.

8.15.3 The limitation of liability for payment of Assessments contained in this Section applies only if the First Mortgagee joins the Association as a defendant in the foreclosure action; however, joinder of the Association is not required if, on the date the foreclosure complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the First Mortgagee.

8.15.4 All unpaid Assessments as a result of this exception are Common Expenses, collectible from all of the Homeowners, including the new Homeowner and the Homeowner's successors and assigns. Such new Homeowner is not excused from liability for any Assessments against the Homeowner's Lot which accrue after the Homeowner's acquisition of title; provided, however, that if the Association is the grantee, it is excused from payment. Notwithstanding the foregoing, First Mortgagee shall be exempt from liability for Assessments coming due before the First Mortgagee receives title to the Lot as the result of a foreclosure or deed-in-lieu of foreclosure.

8.15.5 The Association may give any encumbrancer of record 30 days' notice within which to cure such delinquency before instituting foreclosure proceedings against the Lot. Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amounts secured by the lien established by this Section; upon such payment, such encumbrancer will be subrogated to all rights of the Association with respect to such lien, including priority.

8.15.6 The liability limitations contained in this Section for First Mortgagees shall be expanded in the Association's favor to the fullest extent permitted by the Act, as amended from time to time.

8.16 Homesteads. By virtue of taking title to a Lot, each Homeowner is deemed to acknowledge conclusively and consent that all Assessments established pursuant to this Article are for the improvement and maintenance of any homestead thereon and that the Association's lien has priority over any such homestead.

8.17 Reserves. Reserves for future or deferred maintenance may be collected, in accordance with Section 720.306 of the Act, with respect to certain of the Association's obligations hereunder, but there shall be no obligation for the Association to establish reserves. If established, reserves shall be described on the Association's annual operating budget and shall be collected, unless otherwise determined by the Association in accordance with the Governing Documents and the Act. Reserves are Common Expenses collected through the Assessment process.

8.18 Suspensions and Fines.

8.18.1 In the event a Homeowner is more than ninety (90) days delinquent in the payment of a monetary obligation due to the Association, the Association shall have the power, but not the duty, to suspend (i) the right of a Homeowner, such Homeowner's tenant, guest, or invitee, and a Resident to use Common Property or facilities, and (ii) the voting rights pertaining to a Lot (the vote pertaining to such suspended Lot shall not be counted towards the total number of voting interests as defined in the Act). The notice and hearing requirements applicable to suspension of rights in Section 8.18.2 hereof are not applicable to this Section 8.18.1. Any imposed suspension pursuant to this Section 8.18.1 will end upon full payment of all obligations currently due or overdue to the Association.

8.18.2 Separate and apart from, but not in a manner inconsistent with, Section 8.18.1 hereof, the Association shall have the power to suspend, for a reasonable period of time, the rights of a Homeowner and/or such Homeowner's tenants, guests or invitees to use the Common Property, and to levy reasonable fines against same not to exceed the greater of $100.00 per violation or the maximum amount allowed under the Act for activities which violate the provisions of the Declaration, the Bylaws or any Rules and Regulations duly promulgated by the Association. No fine or suspension (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.18.1 hereof) may be imposed except upon 14 days prior written notice to the person sought to be suspended or fined, and such person having an opportunity for a hearing before a committee of at least 3 Homeowners of the Association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, and fines of a continuing nature may be charged up to a maximum of $10,000. A fine of more than $1,000 may become a lien against the Lot. Such committee shall be appointed by the Board and shall not be composed of any officers, directors or employees of the Association, nor any spouse, parent, child, brother or sister of any officer, director or employee. No fine or suspension (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.18.1 hereof) may be imposed except upon majority approval of the Homeowners of such committee. Suspension of rights to use the Common Property shall not include any right to restrict vehicles and pedestrians ingress and egress to and from such offending person's Lot. The voting rights of a Homeowner may not be suspended by the Association (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.18.1 hereof).

8.19 Administrative Processing Fee. Upon each closing of the purchase and sale of a Home between Homeowners, the new Homeowner shall pay to the Association an administrative processing fee (the "Administrative Processing Fee") of $75.00, which amount shall be utilized to process the new Homeowner into the Association's recordkeeping and other systems. The Administrative Processing Fee will not be considered an advance payment of Assessments by the Homeowner. Notwithstanding any provision herein to the contrary, the Administrative Processing Fee shall not apply to any conveyances made by Declarant to a third party purchaser.

8.20 Collection of Rents from Tenants.

8.20.1 If a Lot is occupied by a tenant and the Homeowner is delinquent in paying any monetary obligation due to the Association, the Association may demand that the tenant pay to the Association the subsequent rental payments and continue to make such payments until all the monetary

obligations of the Homeowner related to the Lot have been paid in full to the Association and the Association releases the tenant or until the tenant discontinues tenancy in the Lot.

8.20.2 The Association must provide the tenant a notice, by hand delivery or United States mail, in substantially the following form:

> Pursuant to section 720.3085(8), Florida Statutes, we demand that you make your rent payments directly to the homeowners' association and continue doing so until the association notifies you otherwise.
>
> Payment due the homeowners' association may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to (full address) , payable to (name) .
>
> Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.
>
> Pursuant to section 720.3085(8), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord.

8.20.3 A tenant is immune from any claim by the Homeowner related to the rent timely paid to the Association after the Association has made written demand.

8.20.4 If the tenant paid rent to the landlord or Homeowner (if different) for a given rental period before receiving the demand from the Association and provides written evidence to the Association of having paid the rent within 14 days after receiving the demand, the tenant shall begin making rental payments to the Association for the following rental period and shall continue making rental payments to the Association to be credited against the monetary obligations of the Homeowner until the Association releases the tenant or the tenant discontinues tenancy in and of the Lot. The Association shall, upon request, provide the tenant with written receipts for payments made. The Association shall mail written notice to the Homeowner of the Association's demand that the tenant pay monetary obligations to the Association.

8.20.5 The liability of the tenant may not exceed the amount due from the tenant to the tenant's landlord. The tenant shall be given a credit against rents due to the landlord in the amount of the monies paid to the Association.

8.20.6 The Association may issue notice under Section 83.56, Florida Statutes, and sue for eviction under Sections 83.59-83.625, Florida Statutes, as if the Association were a landlord under part II of Chapter 83, Florida Statutes, if the tenant fails to pay a monetary obligation. However, the Association is not otherwise considered a landlord under Chapter 83, Florida Statutes, and specifically has no obligations under Section 83.51, Florida Statutes.

8.20.7 The tenant does not, by virtue of payment of monetary obligations, have any of the rights of a Homeowner to vote in any election or to examine the books and records of the Association.

8.20.8 A court may supersede the effect of this Section 8.20 by appointing a receiver.

8.21 Initial Contribution. Upon the closing of a Lot from Declarant to a third party purchaser, such third party purchaser shall pay an "Initial Contribution" to Declarant, such amount initially being $500.00 but which amount may vary from time to time in Declarant's sole discretion. The funds derived from Capital Contributions paid by Homeowners shall be used at the sole discretion of Declarant for any

purpose, including, but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs.

Article 9: Architectural Control

Architectural control of the improvements in the Subdivision shall occur through and by the ARC and the Master Association in accordance with the Master Declaration. No amendment to this Article 9 shall be effective without the express prior written consent of (1) Declarant for so long as Declarant owns any portion of the real property constituting or contained within the Community, and (2) the Master Association's board of directors.

Article 10: Surface Water Drainage and Management System

10.1 In General. The Surface Water Drainage and Management System pertaining to the Community, including the Subdivision, shall be operated and maintained by the Master Association and the CDD in accordance with the Master Declaration.

10.2 Prohibited Activities. Neither the Association nor any Homeowner shall take any action which modifies the Surface Water Drainage and Management System in a manner which changes the flow of drainage of surface water, except to the extent the same is approved by the requisite governmental or quasi-governmental authorities, Declarant so long as Declarant owns any portion of the Property, and the Master Association and the CDD (as the parties having the obligation to maintain the Surface Water Drainage and Management System).

10.3 Easements. The Property shall be burdened with easements for drainage and flow of surface water in a manner consistent with the approved and constructed Surface Water Drainage and Management System. The Master Association, the CDD and the Governmental Entities shall have non-exclusive easements for use of the Surface Water Drainage and Management System, and an easement for ingress, egress and access to enter upon any portion of the Property in order to construct, maintain or repair, as necessary, any portion of the Surface Water Drainage and Management System, provided such easement rights shall be exercised in a manner which does not unreasonably disturb use or condition of the Property.

10.4 Amendments Impacting the Surface Water Drainage and Management System. Any amendment of this Declaration which would affect the Surface Water Drainage and Management System or the responsibility of the Master Association, the Association or the CDD (as and to the extent applicable) to maintain or cause to be maintained the Surface Water Drainage and Management System must have prior written approval by the County and the WMD.

10.5 Enforcement. Declarant, the Governmental Entities, the Master Association, the Association, the CDD and each Homeowner shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, monitoring, repair and replacement of the Surface Water Drainage and Management System and maintenance of all easements and rights-of-way.

10.6 Action by the WMD. The WMD shall have the right to undertake enforcement action, including a civil action for an injunction and penalties, against the Master Association, the Association and the CDD to compel correction of any outstanding problems with the Surface Water Drainage and Management System or in mitigation or conservation areas under the Master Association's, the CDD's or the Association's responsibility (if any).

Article 11: Miscellaneous Provisions Respecting Mortgages

The following provisions are intended for the benefit of a First Mortgagee and to the extent, if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

11.1 Notices of Overdue Assessments; Foreclosure. If any First Mortgagee or other person, persons, or entity that is its successor or assign as a subsequent holder of the First Mortgage (the "Acquiring Party") either (a) obtains title to a Lot as a result of a foreclosure of a recorded First Mortgage or (b) receives a deed in lieu of foreclosure of a recorded First Mortgage, that Acquiring Party shall, to the extent permitted by law, take such property free of any claims for unpaid Assessments or charges in favor of the Association against that became due prior to the earlier of the following: (i) the date of the transfer of title to the Acquiring Party, or (ii) the date on which the Acquiring Party comes into possession of the Lot. Notwithstanding anything herein to the contrary, the provisions of this Section 11.1 may not be interpreted or applied in a manner that impairs or otherwise diminishes, in any manner, any preexisting rights of Declarant's lender or its successors or assigns.

11.2 Rights of First Mortgagees, Insurers and Guarantors. Upon request in writing, each First Mortgagee, Insurer or Guarantor shall have the right:

11.2.1 to examine current copies of this Declaration, the Bylaws, all rules and regulations, and the books and records of the Association during normal business hours;

11.2.2 to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Homeowners at the end of each of its respective fiscal years; provided, however, that in the event an audited financial statement is not available, any First Mortgagee shall be entitled to have such an audited statement prepared at its expense;

11.2.3 to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

11.2.4 to receive written notice of any decision by the Homeowners to make a material amendment to this Declaration, the Bylaws or the Articles;

11.2.5 to receive written notice of any lapse, cancellation or modification of an insurance policy or fidelity bond maintained by the Association; and

11.2.6 to receive written notice of any action which would require the consent of a specified percentage of First Mortgagees.

11.3 Distribution of Proceeds. No provision of this Declaration or the Articles or any similar instrument pertaining to the Property or the Lots therein shall be deemed to give a Homeowner or any other party priority over the rights of the First Mortgagees pursuant to their Mortgages in the case of distribution to Homeowners of insurance proceeds or condemnation awards for losses to or a taking of the Lots, and/or the Common Property, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Lots affected shall be entitled, upon specific written request, to timely written notice of any such loss.

11.4 Termination of the Subdivision. Unless the First Mortgagees of the individual Lots representing at least 67% of the votes in the Association have given their prior written approval, neither the Association nor the Homeowners shall be entitled to terminate the legal status of the Subdivision for reasons other than substantial destruction or condemnation thereof.

11.5 Notice of Damage, Destruction or Condemnation. Upon specific written request to the Association, a First Mortgagee, Insurer or Guarantor of a Lot shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Property if such damage or destruction or taking exceeds $10,000.00. If damages shall occur to such Lot in excess of $1,000.00, notice of such event shall also be given.

11.6 Condemnation; Priority of Awards. If any Lot or portion thereof or the Common Property or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the First Mortgagee, Insurer or Guarantor of said Lot will be entitled to timely written notice, upon specific written request, of any such proceeding or

proposed acquisition, and no provisions of any document will entitle the Homeowner of such Lot or other party to priority over such First Mortgagee with respect to the distribution to such Lot of the proceeds of any award or settlement.

11.7 Rights of First Mortgagees. Any First Mortgagee has the following rights:

11.7.1 Inspection. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect the books, records, and papers of the Association.

11.7.2 Copies. Upon payment of any reasonable, uniform charge that the Association may impose to defray its costs, to receive copies of the Association's books, records, or papers, certified upon request.

11.7.3 Financial Statements. Upon written request to the secretary of the Association, to receive copies of the annual financial statements of the Association; provided, however, the Association may make a reasonable charge to defray its costs incurred in providing such copies.

11.7.4 Meetings. To designate a representative to attend all meetings of the membership of the Association, who is entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting but in no event entitled to vote thereon.

By written notice to the secretary of the Association, and upon payment to the Association of any reasonable annual fee that the Association from time to time may establish for the purpose of defraying its costs, any First Mortgagee also is entitled to receive any notice that it required to be given to the Class A Members of this Association under any provision of this Declaration or the Articles or Bylaws.

Article 12: Damage, Destruction, Condemnation and Restoration of Improvements

12.1 Damage, Destruction and Restoration. In the event the improvements forming a part of the Common Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus reserves (if any), shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and the reserves (if any), shall be applied by the Board or the payee of such insurance proceeds in payment therefore; provided, however, that in the event, within 180 days after said damage or destruction, the Homeowners shall elect to withdraw the Property from the provisions of this Declaration, or if the insurance proceeds and the reserves (if any) are insufficient to reconstruct the damaged or destroyed improvements to the Common Property and the Homeowners and all other parties in interest do not voluntarily make provision for reconstruction within 180 days from the date of damage or destruction, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration, or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Homeowners, after first paying from the share of each Homeowner the amount of any unpaid liens on his or her Lot, in the order of the priority of such liens.

12.2 Withdrawal of Property From Declaration. In the case of damage or other destruction, upon the unanimous affirmative vote of the Homeowners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction may be withdrawn from this Declaration. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Homeowners, shall be on an equitable basis. Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Property shall be allocated to the Homeowners on the basis of an equal share for each Lot. Upon the withdrawal of any Lot or portion thereof, the responsibility for the payment of Assessments on such Lot or portion thereof by the Homeowner shall cease.

12.3 Eminent Domain. In the event any portion of the Property is taken by condemnation or eminent domain proceedings, provision for withdrawal of the portion so taken from the provisions of this Declaration may be made by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Homeowner shall be on an equitable basis. Any condemnation award or

other proceeds available in connection with the withdrawal of any portion of the Common Property shall be allocated to the Homeowners on the basis of an equal share for each Lot. Upon the withdrawal of any Lot or portion thereof, the responsibility for the payment of Assessments on such Lot or portion thereof by the Homeowner shall cease. The Association shall represent the Homeowners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Property or any part thereof. In the event of the total taking of the Property by eminent domain, the condemnation award available in that connection shall be divided by the Association among all Homeowners on the basis of an equal share for each Lot, after first paying from the share of each Homeowner the amount of any unpaid liens on his Lot, in the order of the priority of such liens.

Article 13: Termination of the Subdivision

At a meeting called for such purpose and attended by all Homeowners, the Homeowners, by affirmative vote of 90% of the total votes eligible to be cast in Association matters, may elect to terminate the legal status of the Subdivision (via termination of this Declaration) and sell the Common Property as a whole. Within 10 days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to all First Mortgagees, Insurers and Guarantors entitled to notice under Article 11 of this Declaration, and the termination shall only be effective upon the affirmative vote required under Section 11.4 hereof. Such action shall be binding upon all Homeowners, and it shall thereupon become the duty of every Homeowner to execute and deliver such instruments and to perform all acts in manner and form as may be necessary to effect such termination and sale. The Association shall represent the Homeowners in any negotiations, settlements and agreements in connection with termination of the Subdivision and sale of the Common Property, and any proceeds obtained therefrom shall be first used to pay all expenses and outstanding obligations of the Association and the remainder, if any, shall be divided among all Homeowners on the basis of an equal share for each Lot.

Article 14: Operation

The provisions of this Declaration are self-executing and will run with the land and be binding upon all persons having any right, title, or interest therein, or any part, their respective heirs, successors, and assigns.

Article 15: General Provisions

15.1 Enforcement. Unless expressly provided otherwise, the Association, or any Homeowner, has the right to enforce, by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules, and regulations now or hereafter imposed by, or pursuant to, the provisions of this Declaration. If the Association or any person entitled to enforce any of the provisions of this Declaration is the prevailing party in any litigation involving this Declaration or any rule or regulation, such party may recover from the losing party all costs and expenses incurred, including reasonable attorneys' fees for all trial and appellate proceedings, if any. If the Association is the losing party against any Homeowner, such costs and expenses, including reasonable attorneys' fees, payable to the prevailing party and those incurred by the Association itself, may be assessed against such Homeowner's Lot, as provided in Article 8 of this Declaration. Failure by the Association or by any Homeowner to enforce any covenant, restriction, rule, or regulation will not constitute a waiver of the right to do so at any time.

15.2 Amendment.

15.2.1 Except as may be otherwise provided herein, Declarant may amend this Declaration by an instrument executed with the formalities of a deed without the approval or joinder of any other party at any time prior to the date on which Declarant shall have conveyed 90% of the Lots on the Property. Except as may be otherwise provided herein, commencing on the date that Declarant shall have conveyed 90% of the Lots on the Property, this Declaration may be amended by an instrument so executed by the Association and approved by not less than two-thirds (2/3) of the votes eligible to be cast in Association matters. No amendment is effective until recorded, and the Association's proper execution will entitle it to public record, notwithstanding the informal execution by the requisite percentage of Homeowners. For purposes of this Section, a Lot shall be considered conveyed when the deed is duly

recorded. Notwithstanding the foregoing, amendments undertaken solely by Declarant shall comply with Section 720.307(5) of the Act.

15.2.2 Notwithstanding the provisions of Section 15.2.1 to the contrary, (a) no instrument of amendment or termination shall be effective while there are Class B memberships unless 100% of the Class B Members shall approve and join in such instrument, and (b) no amendment which will affect any aspect of the Surface Water Drainage and Management System located on the Property shall be effective without the prior written approval of the WMD. For purposes of this Section, a Lot shall be considered conveyed when the deed to such Lot is duly recorded.

15.2.3 Notwithstanding the provisions of Section 15.2.1 to the contrary, for so long as Declarant owns any portion of the Property, no amendment or modification to this Declaration will be effective without the prior written consent of Declarant if that amendment or modification, in Declarant's sole opinion, impairs, alters, or otherwise modifies, in whole or in part, the marketability, viability, usability, or salability of any portion of the Property owned by Declarant. For purposes of example only, and without limitation as to the types of amendments or modifications requiring Declarant consent pursuant to this Section 15.2.3, an amendment which (i) requires Association approval for the sale or transfer of an interest in a Lot in whole or in part; (ii) modifies the Assessment structure pertaining to any Lot; or (iii) impairs, alters, or otherwise modifies construction, sales, or marketing activities (including placement, size, and design of signage, etc.), would be considered an impairment to the marketability, viability, usability, or salability of the Property for which prior written consent of Declarant would be required.

15.3 Special Amendment. Anything herein to the contrary notwithstanding, and subject to the requirement of First Mortgagee approval set forth herein where applicable, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration, at any time and from time to time, which amends this Declaration and any provision therein: (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Consumer Finance Protection Bureau of the Department of the Treasury, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with First Mortgages covering Lots; (iii) to correct clerical or typographical errors in this Declaration; (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations; or (v) to minimize any federal or state income tax liability of the Association. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to a Special Amendment on behalf of each Homeowner and the Association. Each deed, Mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record Special Amendments. The right and power of Declarant to make Special Amendments hereunder shall terminate on December 31, 2025, or on the date of the conveyance of all Lots in the Subdivision by Declarant to third parties, whichever occurs last.

15.4 Additions to or Deletions from the Property.

15.4.1 Additions to the Property. Additional land (which shall not necessarily be required to be contained within the general concepts of the Subdivision, and in fact may be lands located in the general vicinity of the Subdivision as owned by Declarant) may be made subject to all the terms hereof and brought within the jurisdiction and control of the Association in the manner specified in this Article. Such additional property may constitute additional Common Property or a portion of the Property. Notwithstanding the foregoing, however, under no circumstances shall Declarant be required to make such additions, and until such time as such additions are made to the Property in the manner hereinafter set forth, no other real property shall in any way be affected by or become subject to this Declaration. All additional land which is brought within the jurisdiction and control of the Association and made subject to this Declaration, pursuant to this Article, shall thereupon and thereafter be included within the term "Property" as used in this Declaration. Notwithstanding anything contained in this Section, Declarant neither commits to, nor warrants or represents, that any such additional land will be made subject to and brought within the jurisdiction and control of the Association.

15.4.2 Mergers. Upon a merger or consolidation of the Association with another non-profit corporation, its property (whether real or personal or mixed) may, by operation of law, be transferred to the surviving or consolidated corporation or, alternatively, the property of the other non-profit corporation may, by operation of law, be added to the property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated corporation shall thereafter operate as the Association under this Declaration and administer the covenants and restrictions established by this Declaration upon the Property. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

15.4.3 Deletions from the Property only by Declarant. Except as otherwise provided herein pertaining to deletions from the Property, only Declarant may delete and withdraw a portion of the Property from being subject to this Declaration.

15.4.4 Procedure for Making Additions to or Deletions from the Property. Additions to or deletions from the Property may be made, and thereby become subject to this Declaration by, and only by, the following procedure:

(a) Addition of Lands by Declarant. Except as otherwise provided in herein where applicable and to the contrary, Declarant shall have the right from time to time, in its discretion and without need for consent or approval by either the Association or any Homeowner or Member, or other third party to make additional lands owned by Declarant subject to the scheme of this Declaration and to bring such land within the jurisdiction and control of the Association; provided, however, in the event any portion of such additional land is encumbered by one or more Mortgages, Declarant must obtain the consent and approval of each holder of such Mortgage(s). In Declarant's sole discretion, portions of such additional land may be designated as Common Property.

(b) Procedure for Adding Lands. The addition shall be accomplished by Declarant filing of record in the public records of the County a supplement to this Declaration with respect to the additional land is made subject to this. Except as otherwise provided herein where applicable, such supplement need only be executed by Declarant and shall be accompanied by the consent(s) and joinder(s) of any holder(s) of Mortgage(s) on such additional land. Such supplement may contain such additional provisions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land or permitted uses thereof. In no event, however, shall such supplement revoke, modify, or add to the covenants and restrictions established by this Declaration affecting the land already constituting the Property unless such supplement also constitutes an amendment accomplished in accordance with the provisions of this Declaration.

15.4.5 Continued Use of Common Property. No addition shall revoke or diminish the rights of the Homeowners of the Property to the utilization of the Common Property as established hereunder, except to grant to the owners of the land being added to the Property the right to use the Common Property according to the terms and conditions as established hereunder, and the right to vote and be assessed as hereinafter provided.

15.4.6 Withdrawal of Lands by Declarant. Declarant may delete and withdraw one or more portions of the Property from being subject to this Declaration by a supplement to this Declaration recorded in the public records of the County which specifically and legally describes the property being withdrawn. Declarant must own the property being withdrawn. Such supplement need only be executed by Declarant and shall not require the joinder and consent of the Association or any Homeowner or Member, or other third party.

15.4.7 No Obligation to Add or Withdraw Lands. Nothing contained in this Article shall obligate Declarant to make additions to or deletions from the Property.

15.4.8 Voting Rights of Declarant as to Additions to the Property. Declarant shall have no voting rights as to the land to be added to the Property or any portion thereof until such land is actually added to the Property in accordance with the provisions of this Article. Upon such land being added to the Property, Declarant shall have the voting rights as set forth in the instrument amending or supplementing this Declaration.

15.4.9 Assessment Obligations of Declarant as to Additions to the Property. Declarant shall have no Assessment obligations as to the land added to the Property until such land or portion thereof is actually added to the Property in accordance with the provisions of this Article, following which Declarant shall have Assessment obligations as set forth in this Declaration (unless Declarant is providing deficit funding in accordance with Section 8.5 hereof).

15.5 Disclaimer of Representations or Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

15.6 Notices and Disclaimers as to Signal Reception. In recognition of the fact that interruptions in cable television, radio and satellite television will occur from time to time, neither Declarant nor the Association shall in any manner be liable for, and no Homeowner shall be entitled to a refund, rebate, discount, or offset in applicable fees, for any interruption in any such services, regardless of whether or not such interruption is caused by reasons within the service provider's control. Declarant or Association shall be entitled to retain any rebate, discount, or other compensation received from the provider of any such services in connection with the installation and/or operation of such systems within the Property.

15.7 Construction Activities. All Homeowners, occupants, and users of Lots are hereby placed on notice that Declarant and/or its agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities within the Property. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest in a Lot, and/or by using any portion of a Lot or the Property generally, Homeowners, Residents and Authorized Users of Lots acknowledge, stipulate, and agree: (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise), any property within or in proximity to the Lot or any other portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night, a holiday or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable for any losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from and/or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

15.8 Natural Conditions. The Property may contain a number of manmade, natural, and/or environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes, alligators, other reptiles, raccoons, foxes, wild dogs, wild cats, and other animals, some of which may pose hazards to persons and/or pets coming in contact with them. Each Homeowner and occupant of any Lot, and every Person entering the Property: (a) acknowledges and agrees that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within and/or through the Property; and (b) knowingly and voluntarily assumes all risk of property damage, personal injury and/or death arising from the presence of such plants and wildlife within the Property. Neither the Master Association, the Association, Declarant, nor the members, partners, affiliates, officers, directors, shareholders, attorneys, agents, and/or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife within the Property, nor shall they have any liability for any property damage, personal injury and/or death resulting from the presence, movement, and/or propagation of any plant or wildlife within or through the Property. The areas described in this Section 15.8 may also contain ponds, lakes, retention ponds, detention ponds, dry detention areas, intermittent pools of water, muddy areas and/or buffer areas, among

other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat. No Homeowner or occupant of a Lot shall enter upon, or permit their guests, family members, invitees, agents, tenants, employees, contractors, subcontractors, visitors or any other Person acting on that Homeowner's behalf to enter upon and/or disturb any such areas in any way without the prior written approval of the Association.

15.9 Severability. Invalidation of any particular provision of this Declaration by judgment or court order will not affect any other provision, all of which shall remain in full force and effect; provided, however, any court of competent jurisdiction is hereby empowered, to the extent practicable, to reform any otherwise invalid provision contained in this Declaration when necessary to avoid a finding of invalidity while effectuating Declarant's intent of providing a comprehensive plan for the use, development, sale, and beneficial enjoyment of the Subdivision.

15.10 Joinder. Should title to any Lot of the Subdivision have been conveyed by Declarant prior to the recording of this Declaration, such Homeowners of Lots by their signature to a Joinder shall be deemed to have joined with the Homeowner in the recording of this Declaration and shall have subordinated their right, title and interest in the Lot to the terms hereof and declare that their property shall be subject to this Declaration as fully as if title had been taken by them subsequent to the recording hereof.

15.11 Covenant Running with the Property. Except as otherwise provided herein, the covenants and restrictions of this Declaration shall run with and be binding upon the Property, and shall remain in force and be enforced by the Board and the Homeowners, their heirs, successors and assigns, for a term of 30 years after the date this Declaration is recorded in the public records of the County, and shall be automatically renewed for successive periods of 10 years, unless the Homeowners, upon the affirmative vote of the holders of 70% of the votes eligible to be cast in Association matters decide within 6 months before such renewal date, not to renew these covenants and restrictions, and a certificate executed by the president or the vice-president and secretary of the Association certifying to such vote is recorded in the public records of the County.

Each Homeowner, by virtue of taking title to a Lot, hereby agrees that the deed of conveyance of the Lot to a third party shall specifically state that the Lot is subject to the terms of this instrument and shall state the recording book and page information for this instrument as recorded in the public records of the County. The intent of this provision is to defeat any potential argument or claim that Chapter 712, Florida Statutes, has extinguished the application of this instrument to each of the Lots.

15.12 Amendment Pertaining to Surface Water Drainage and Management System. Notwithstanding any provisions to the contrary contained in this Declaration, any amendment which will affect the Surface Water Drainage and Management System, including the management portion of the Common Property, serving the Subdivision, must have the prior written approval of the WMD in order to be effective and binding.

15.13 Compliance. Every Homeowner and Authorized User shall comply with all lawful provisions of this Declaration, the Bylaws and the Rules and Regulations. Failure to comply shall be grounds for an action to recover sums dues, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved party. Further, in the event of any violation of any ordinances, rules or restrictions imposed by the Governmental Entities with respect to the Property, the Governmental Entities may, without the consent of the Association or any Person, seek judicial enforcement of such ordinances, rules or restrictions and if such enforcement shall be required by a court of competent jurisdiction, then the Governmental Entities shall be entitled, in addition to all other awards or directions of enforcement, to all reasonable attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, and court costs incurred by the Governmental Entities relative to its enforcement of the foregoing.

15.14 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association, nor shall any legal services be provided with respect to preparing for such judicial or administrative proceedings unless approved by a vote of (a) 75% of the Class A Members eligible to vote, and (b) the Class B Member (if Class B membership has not been terminated). The Association shall prepare a budget of the total estimated cost of the litigation which shall be submitted to the Members for a

vote along with the notice of the proposed litigation. The budget shall be based upon an estimate of the total cost and fees of the litigation made by the attorney being retained by the Association for the litigation. The Association shall assess all Homeowners whose interests are being sought to be protected through such litigation in accordance with the Assessment process provided herein; provided, however, that no funds from General Assessments or other sources may be used for such purpose. Prior to preparation for and institution of legal proceedings, any Assessment levied in such regard must be more than 75% collected. This Section shall not apply, however, to (a) actions brought by the Association against parties other than Declarant to enforce the provisions of this Declaration (including without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, (d) counterclaims brought by the Association in proceedings instituted against it, or (e) any dispute in which the amount in question is $10,000 or less, as adjusted for inflation from year to year. This Section shall not be amended unless such amendment is made by Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.15 Disclaimer of Association Liability. As used in this Section, "Association" shall mean the Association and all committee and Board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns of any of the foregoing. Notwithstanding anything contained herein or in the Articles, Bylaws, any rules or regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Homeowner, Member, occupant or user of any portion of the Subdivision, other tenants, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing: (a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the Subdivision, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Subdivision and the value thereof; and (b) the Association is not empowered, and has not been created, to act as an agency which enforces or insures compliance with the laws of the State of Florida or the Governmental Entities or the prevention of tortious activities. Each Member (by virtue of his or her acquisition of a Lot and each other Person having an interest in or lien upon, or making any use of, any portion of the Subdivision (by virtue of accepting such interest or lien or making such use) shall be bound by this Article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against which the liability of the Associations has been disclaimed in this Article. Each Member does hereby release Declarant and the Associations from all liability from injury and/or accidental death due to adverse weather and all effects and results thereof.

15.16 Amplification. The provisions of this Declaration are amplified by the Articles and Bylaws, but no such amplification will alter or amend substantially any of the rights or obligations of the Homeowners set forth in this Declaration. Declarant intends the provisions of this Declaration, on the one hand, and the Articles and Bylaws, on the other, to be interpreted, construed, applied, and enforced to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or Bylaws to the contrary. The terms defined in this Declaration shall have same meanings in the Articles and Bylaws, unless otherwise provided.

15.17 Logos and Trademarks. All logos, trademarks, and designs used in connection with the Subdivision and the Community are the property of Declarant, and the Association shall have no right to use the same after Transfer of Control except with the express written consent of Declarant.

15.18 Flood Zones. Flood zone determinations are made by the Federal Emergency Management Agency. Declarant makes no assurance, with regard to any portion of the Property, that any flood zone designation for a Lot existing as of a particular date will remain the same. Declarant further advises that any such flood designation could be changed due to re-grading of the land as a result of the land development process. Each Homeowner, by virtue of taking title to a Lot, acknowledges and agrees, and shall be deemed to have acknowledged and agreed, that Declarant has no involvement in the determination or designation of flood zone designations for any portion of the Property.

15.19 Homeowner Cooperation. No person shall use the Property, or any part thereof, in any manner contrary to or not in accordance with the rules and regulations set forth in the Bylaws or properly pertaining thereto and promulgated from time to time by the Association. The Homeowner shall not permit or suffer anything to be done or kept in such Homeowner's Home and/or Lot which will increase the rate of any insurance purchased by the Association for the Property or any portion thereof, or which will obstruct or interfere with the rights of other Homeowners, or annoy them by unreasonable noises, or otherwise, nor shall the Homeowners commit or permit any nuisance, immoral or illegal acts in or about the Property.

15.20 Resolution of Disputes. All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for dispute resolution shall be submitted to such dispute resolution procedures contained in the Act prior to institution of civil litigation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant has duly executed this instrument on this _____ day of February, 2020.

WITNESSES:

Signature: Mary Thompson
Printed Name: Mary Thompson

Signature: Ozzie Delgado
Printed Name: Ozzie Delgado

WCI Communities, LLC, a Delaware limited liability company authorized to do business in Florida

Signature: _____
Darin McMurray, Vice President

SEAL

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me, by means of ☑ physical presence or ☐ online notarization, this 6th day of ~~February~~ March, 2020, by Darin McMurray, as Vice President of WCI Communities, LLC, a Delaware limited liability company authorized to do business in Florida. He ☑ is personally known to me or ☐ has produced _____ _____ as identification.

My Commission Expires:

Notary Public State of Florida
Amy Renee Hofschneider
My Commission GG 280374
Expires 11/29/2022

Amy Renee Hofschneider
(Signature)

Name: Amy Renee Hofschneider
(Legibly Printed)
Notary Public, State of Florida

_____
(Commission Number, if any)

120554717.7

Exhibit A
LEGAL DESCRIPTION

Tracts B and RD-2 of that plat of Portico Phase I as recorded in Instrument Number 2006000411756 of the Public Records of Lee County, Florida and lying in Section 33, Township 43 South, Range 26 East, Lee County, Florida

EXHIBIT "B" TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR TOWNHOMES AT PORTICO

Articles of Incorporation of the Association

State of Florida

Department of State

I certify from the records of this office that TOWNHOMES AT PORTICO HOMEOWNERS ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on February 5, 2020.

The document number of this corporation is N20000001213.

I further certify that said corporation has paid all fees due this office through December 31, 2020, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 520A00002711-020620-N20000001213-1/1, noted below.

Authentication Code: 520A00002711-020620-N20000001213-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Sixth day of February, 2020

Secretary of State

120554717.7

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of TOWNHOMES AT PORTICO HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on February 5, 2020, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H20000041197. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N20000001213.

Authentication Code: 520A00002711-020620-N20000001213-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Sixth day of February, 2020

Secretary of State

120554717.7

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ARTICLES OF INCORPORATION
OF
TOWNHOMES AT PORTICO HOMEOWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)

THE UNDERSIGNED INCORPORATOR to these Articles of Incorporation hereby proposes the incorporation under Chapters 617 and 720, *Florida Statutes*, of a corporation not for profit, and hereby makes, subscribes, acknowledges and files with the Secretary of State of the State of Florida, Articles of Incorporation, and hereby certifies as follows:

ARTICLE I. NAME AND LOCATION

The name of this corporation shall be Townhomes at Portico Homeowners Association, Inc. (hereinafter referred to as the "Association"), and its initial office for the transaction of its affairs shall be 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966.

ARTICLE II. PURPOSES

This Association does not contemplate pecuniary gain or profit to the Members thereof, and no distribution of income to its Members, directors or officers shall be made, except that nothing herein shall prevent the Association from compensating persons who may be Members, directors or officers in exchange for services actually rendered to, or costs actually incurred for the benefit of, the Association in furtherance of one or more of its purposes. The general purpose of this Association is to promote the common interests of the property Homeowners in the Townhomes at Portico neighborhood (hereinafter referred to as the "Subdivision"), and the specific purpose is to perform the functions of the Association contemplated in the Declaration for the Subdivision recorded in the public records of Lee County, Florida (hereinafter referred to as the "Declaration"), as the same may in the future be amended, which purposes shall include but not be limited to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) Fix, levy, collect and enforce payment, by any lawful means, all charges or assessments pursuant to the terms of the Declaration;

(c) Own and convey property;

(d) Establish rules and regulations;

(e) Sue and be sued;

(f) To pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;

(g) Maintain, repair and replace Common Properties as contemplated by the Declaration, and to enter into contracts for the provision of services to maintain and operate the Common Properties; and

(h) Have and exercise any and all other powers, rights and privileges of a not-for-profit corporation organized under the law of the State of Florida.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

A. Eligibility. Every person, whether an individual, corporation or other entity, who is the record Homeowner of a Lot that is subject to Assessment pursuant to the Declaration shall become a Member of the Association upon the recording of the instrument of conveyance. If title to a Lot is held by more than one person, each such person shall be a Member. An Homeowner of more than one Lot is

entitled to membership for each Lot owned. No person other than an Homeowner may be a Member of the Association, and a membership in the Association may not be transferred except by the transfer of title to a Lot; provided, however, the foregoing does not prohibit the assignment of membership and voting rights by an Homeowner who is a contract seller to such Homeowner's vendee in possession.

If more than one person owns a fee interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-Homeowners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-Homeowner must file a certificate with the secretary of the Association naming the voting co-Homeowner entitled to vote at such meeting, unless such co-Homeowners have filed a general voting certificate with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, no separate certificate shall be necessary if title to any Lot is held in a tenancy by the entireties, and in such event either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing by such co-tenants by the entireties.

B. Classes of Membership and Voting; Transfer of Control. The Association shall have 2 classes of voting membership - Class A and Class B. So long as there is Class B membership, Class A Members shall be all persons owning record title to the Lot of the Subdivision except Declarant. All Class B memberships shall belong to Declarant. Upon termination of Class B membership as provided below, Class A Members shall be all Homeowners, including Declarant so long as such Declarant is an Homeowner. Voting shall be accomplished in accordance with the Bylaws. There shall be no cumulative voting for Directors or any other matters.

Class B membership shall cease to exist and shall be deemed to be converted into Class A membership upon the earlier of (a) a triggering event contained in Section 720.307(1) of the Act, or (b) the date that Declarant waives in writing its right to Class B membership, which waiver shall be evidenced by the recording of a certificate to such effect in the public records of the County. Upon termination of Class B membership, all provisions of the Declaration, Articles of Incorporation, or By-Laws referring to Class B membership will be obsolete and without further force or effect, including any provision requiring voting by classes of membership.

C. Transferability. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot whether or not mention thereof is made in such conveyance of title.

ARTICLE IV. TERM OF EXISTENCE

The Association shall have perpetual existence. In the event that the Association is dissolved, the Association shall ensure that the maintenance of the Surface Water Drainage and Management System, is delegated, transferred or assigned to a similar not-for-profit corporation, such as, but not necessarily meaning, the Master Association.

ARTICLE V. INCORPORATOR

The name and address of the incorporator of this Association is as follows:

Robert S. Freedman
Carlton Fields, P.A.
4221 W. Boy Scout Blvd., Suite 1000
Tampa, FL 33607

ARTICLE VI. MANAGEMENT

The affairs of the Association shall be managed by its Board of Directors, which shall consist of not less than 3 nor more than 7 individuals, the precise number to be fixed in the By-Laws or by the Board of Directors from time to time. Directors shall be elected for terms as prescribed in the By-Laws by the

Members at the annual Members' meeting, to be held as scheduled by the Board of Directors in the last quarter of each fiscal year in the manner prescribed in the By-Laws, and shall hold office until their respective successors are duly elected and qualified. The Board shall elect a President, a Vice President, and a Secretary-Treasurer, and such other officers as may, in the opinion of the Board, from time to time be necessary to adequately administer the affairs of the Association. Such officers are to hold office at the pleasure of the Board or until their successors are duly elected and qualified. Officers may be Directors. Officers and Directors must be Members of the Association except with respect to those who are elected by Declarant. Any individual may hold 2 or more corporate offices, except that the offices of President and Secretary-Treasurer may not be held by the same person. The officers shall have such duties as may be specified by the Board or the By-Laws of the Association. Vacancies occurring on the Board and among the officers shall be filled in the manner prescribed by the By-Laws of the Association.

Notwithstanding the foregoing, the Class B Members shall have the right to elect all Directors as long as there shall be Class B membership, except that Class A Members shall be entitled to elect at least one member of the Board of Directors (but not a majority of the directors until Transfer of Control has occurred) if 50% of the Lots in all phases of the Subdivision which will ultimately be operated by the Association have been conveyed to the Class A Members.

ARTICLE VII. INITIAL OFFICERS

The names of the initial officers who are to serve until their successors are elected under the provisions of these Articles of Incorporation and the By-Laws are the following:

Gregory Roughgarden - President
Matthew Koratich - Vice-President
David Negip - Secretary/Treasurer

ARTICLE VIII. INITIAL BOARD OF DIRECTORS

The number of persons constituting the Board of Directors of the Association shall be three (3) and the names and addresses of the members of such current Board of Directors, who shall hold office until their respective successors are elected pursuant to the provisions of these Articles of Incorporation and the By-Laws, are the following:

Gregory Roughgarden	10481 Six Mile Cypress Parkway Ft. Myers, Florida 33966
Matthew Koratich	10481 Six Mile Cypress Parkway Ft. Myers, Florida 33966
David Negip	10481 Six Mile Cypress Parkway Ft. Myers, Florida 33966

ARTICLE IX. BY-LAWS

The By-Laws of the Association have been adopted by the Board of Directors, as constituted under Article VIII above, at an organizational meeting of the Board. Thereafter, the By-Laws may be altered, amended, or rescinded only in the manner provided in the By-Laws.

ARTICLE X. AMENDMENTS

Prior to Transfer of Control, amendments to these Articles of Incorporation shall be adopted by the Board of Directors without any requirement or necessity for a vote of the Association membership or for consent by any party, except as may be otherwise specifically required herein. Subsequent to Transfer of Control, amendments to these Articles of Incorporation shall be made in the following manner:

(a) The Board of Directors shall adopt a resolution setting forth a proposed amendment and, if Members have been admitted, directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting. If no Members have been admitted, the amendment shall be adopted by a vote of the majority of directors and the provisions for adoption by Members shall not apply.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each Member of Record (as defined in the By-Laws) entitled to vote thereon within the time and in the manner provided by *Florida Statutes* for the giving of notice of meetings of Members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of (1) a majority of the votes of the Class A Members, and (2) the Class B Member.

Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

Notwithstanding the foregoing, (a) no amendment to the Articles of Incorporation shall be valid which affects any of the rights and privileges provided to Declarant without the written consent of Declarant as long as Declarant shall own any Lots in the Subdivision, and (b) no amendment which will affect any aspect of the Surface Water Drainage and Management System located on the Property shall be effective without the prior written approval of the WMD.

ARTICLE XI. REGISTERED OFFICE AND AGENT

Pursuant to Section 48.091 and Section 607.0501, *Florida Statutes*, the name and address of the Initial Registered Agent for service of process upon the Association is:

CF Registered Agent, Inc.
100 S. Ashley Drive, Suite 400
Tampa, Florida 33602

The preceding address is also the address of the registered office of the Association.

IN WITNESS WHEREOF, the subscribing Incorporator has hereunto set his hand and seal and caused these Articles of Incorporation to be executed this 5th day of February, 2020.

Robert S. Freedman, Incorporator

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this 5th day of February, 2020, by Robert S. Freedman, being known to me to be the person who executed the foregoing Articles of Incorporation of Townhomes at Portico Homeowners Association, Inc. He is personally known to me.

My Commission Expires:

(AFFIX NOTARY SEAL)

MELISA RIVERA ZAMBRANA
Notary Public - State of Florida
Commission # GG 052634
My Comm. Expires Feb 7, 2021
Bonded through National Notary Assn.

(Signature)

Name: Melisa Rivera Zambrana
(Legibly Printed)

Notary Public, State of Florida

GG 052634
(Commission Number, if any)

ACCEPTANCE OF DESIGNATION OF REGISTERED AGENT

The undersigned, having been named as registered agent and to accept service of process for Townhomes at Portico Homeowners Association, Inc., hereby accepts the appointment as registered agent and agrees to act in such capacity. The undersigned further agrees to comply with the provisions of all statutes relating to the proper and complete performance of her duties and is familiar with and accepts the obligations of her position as registered agent.

CF Registered Agent, Inc.

By: _____
Robert S. Freedman

EXHIBIT "C" TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR TOWNHOMES AT PORTICO

Bylaws of the Association

BYLAWS
OF
TOWNHOMES AT PORTICO HOMEOWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)

ARTICLE I
Name and Location

The name of the corporation is Townhomes at Portico Homeowners Association, Inc. (the "Association"), and its initial office for the transaction of its affairs shall be 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966. Meetings of Members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors (hereinafter referred to as the "Board").

ARTICLE II
Definitions

Unless the context expressly requires otherwise, the terms used herein shall have the meanings set forth in the Declaration of Covenants and Restrictions for Townhomes at Portico ("Declaration").

ARTICLE III
Meeting of Members

Section 1. Annual Meetings. All annual and special meetings of the Association shall be held in Lee County, Florida, or at such other place as may be permitted by law and from time to time as fixed by the Board and designated in the notices of meetings.

Section 2. Notice of Annual Meetings. Annual meetings of the Members of the Association shall be held in the fourth quarter of each fiscal year. Notice of the meeting, which shall include an agenda, shall be mailed, delivered, or sent by electronic transmission to each Member listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein ("Member of Record") not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. In addition to mailing, delivering, or electronically transmitting the notice of any meeting, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda.

Section 3. Special Meetings. Special meetings of the Members, for any purpose or purposes, whether or not specifically required by these Bylaws, the Articles of Incorporation, or the Declaration may be called by the president, secretary, a majority of the Board, or by the Members having 1/10 of the votes of the Class A membership.

Section 4. Notice of Special Meetings. No business shall be transacted at any special meeting except as stated in the notice thereof. Notice of all special meetings shall be given by the secretary to Members of Record, or if the secretary shall fail to do so, by the president or Board, not less than 30 nor more than 60 days prior to the date thereof, stating the date, time, and place of the meeting and the purpose or purposes thereof. Notices shall be mailed, delivered, or sent by electronic transmission to each Member listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein within the prescribed time or, in lieu of mailing, delivery by hand to the Members shall suffice. An affidavit shall be executed by the person providing the notice that the notice was delivered or mailed in compliance with this section and, once executed the affidavit shall be filed among the official records of the Association.

Section 5. **Quorum.** Members present in person or represented by proxy, entitled to cast at least 1/3 of the votes of the membership of the Association, shall constitute a quorum.

Section 6. **Action Taken at Meeting.** When a quorum is present at any meeting, a majority of the votes duly cast by the Members present at the meeting or represented by written proxy shall decide any question brought before the meeting, unless the question is one upon which by express provision of law, the Declaration, the Articles of Incorporation or these Bylaws, a different vote is required, in which case the express provision shall govern and control. If any meeting of Members cannot be organized because a quorum is not present, the meeting may be adjourned by a majority of the Members present in person, until a quorum is present

Section 7. Order of Business. The order of business at all meetings shall be as prescribed in the agenda prepared by the Board and submitted to the Members of Record with the notice of each meeting.

Section 8. Action Without Meeting. Any action which may be taken by the membership pursuant to a duly called meeting, may be taken without a meeting provided that: a proposal of action to be taken by the Members is mailed to every Member of the Association together with a request for approval or disapproval; and, the Members responding to the proposal ("Responding Members") hold at least 1/3 of the votes of all Members of the Association. A proposed action may be approved by a majority of the votes attributable to the Responding Members unless the proposed action is one which by express provision of law, the Declaration, the Articles of Incorporation or these Bylaws requires a different vote, in which case the express provision as it pertains to voting percentages shall govern and control.

Section 9. Voting.

a. The Association has two classes of voting membership: Class A and Class B.

b. So long as there is Class B membership, Class A Members are all Homeowners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as provided by the Declaration, Class A Members are all Homeowners, including Declarant so long as such Declarant is a Homeowner.

c. Class A Members shall be entitled to 1 vote per Lot owned, and there shall be only 1 vote per Lot. When Declarant becomes a Class A Member, Declarant shall have 1 vote for each Lot still owned or to be constructed by Declarant within the Subdivision.

d. The vote of a Lot may not be divided.

e. The Class B Member shall be entitled to 9 votes for each Lot owned by the Class B Member.

f. If more than one person owns an interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-owners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held in a tenancy by the entireties, either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing.

g. Electronic Voting. Electronic voting may occur in and for the Association, under the terms and provisions of the following:

i. In order for electronic voting to occur on any Association matter, the Board must first pass a resolution authorizing same, which resolution must:

1. provide that Members receive notice of the opportunity to vote through an online voting system;

2. establish reasonable procedures and deadlines for Members to

consent, in writing, to online voting; and

3. establish reasonable procedures and deadlines for Members to opt out of online voting after giving consent.

ii. Once such a resolution has been passed, elections and other membership votes may be conducted through an internet-based online voting system if a Member consents, in writing, to online voting and if the following requirements are met:

1. The Association shall provide each Member with a method or means:

a. to authenticate the Member's identity to or within the online voting system;

b. to confirm, at least 14 days prior to the date of the vote or the voting deadline, that the Member's electronic device can successfully communicate with the online voting system; and

c. that is consistent with the election and voting procedures in these Bylaws and the other Governing Documents; and

2. The Association utilizes an online voting system that is able to:

a. authenticate the Member's identity;

b. authenticate the validity of each electronic vote to ensure that the vote is not altered in transit;

c. transmit a receipt from the online voting system to each Member who casts an electronic vote;

d. permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific Member (this provision only applies if these Bylaws provide for secret ballots for the election of Directors); and

e. store and keep electronic ballots accessible to election officials for recount, inspection, and review.

iii. A Member voting electronically pursuant to or as a result of this subsection g. shall be counted as being in attendance at the meeting for purposes of determining a quorum.

iv. A Member's consent to online voting is and shall remain valid until the Member opts out of online voting pursuant to the procedures established by the Board.

v. This subsection g. shall apply to any matter that requires a vote of the Members.

Section 10. Presiding Officers. At each meeting of the Members, the president, or in his absence the vice president, shall preside and the secretary, or in his absence the assistant secretary, shall be the secretary for the meeting.

Section 11. Right to Speak. Members and Homeowners have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda (subject to any permissible limitations as provided herein or pursuant to the Act). Notwithstanding any provision to the contrary in the Association's governing documents or any rules

adopted by the Board or by the membership, a Member or a Homeowner has the right to speak on any agenda item, provided that the Homeowner submits a written request to speak prior to the meeting (such request shall be delivered to the Association's record office and verified by the Association secretary prior to commencement of the meeting). The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Homeowner statements, which rules must be consistent with the provisions of this Section.

ARTICLE IV
Directors

Section 1. Board of Directors. Until Transfer of Control, the affairs of the Association shall be managed by a Board of 3 directors. A director must be a Member, except that the directors elected or appointed by the Class B Members need not be Members and may be the officers and/or employees of Declarant. Subsequent to Transfer of Control, the Board shall be comprised of not less than 3 directors and not more than 7 directors, such number to be determined by the Board from time to time. There shall be at all times a minimum of 3 directors.

Section 2. Election of Directors.

a. Election of directors shall be held at the annual Members' meeting.

b. The election of directors to be elected by the Class A Members shall be by ballot (unless dispensed by the unanimous vote consent of those Members eligible to vote in person or proxy) or, if authorized, electronic voting, and shall be determined by a plurality of the Class A votes cast. There shall be no cumulative voting.

c. Except as to vacancies provided by removal of directors by Members, all vacancies in the Board occurring between annual meetings of Members, including vacancies created by increasing the size of the Board, shall be filled by the vote of a majority of the remaining directors.

d. Any directors elected by Class A Members may be removed in accordance with the provisions of the Act. If a vacancy occurs on the Board as a result of the removal of less than a majority of the directors, the vacancy shall be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of the removal of a majority or more of the directors, the vacancies shall be filled in accordance with the provisions of the Act.

e. Notwithstanding the foregoing, the Class B Members shall have the right to elect all Directors as long as there shall be Class B membership, except that Class A Members shall be entitled to elect at least one member of the Board (but not a majority of the directors until Transfer of Control has occurred) once 50% of the Lots in all phases of the Subdivision which will ultimately be operated by the Association have been conveyed to the Class A Members.

f. Any disputes involving the election of directors shall be resolved through the applicable provisions of the Act.

Section 3. Term of Office. Unless otherwise provided herein, the term of each director's service shall be one year and until his successor is duly elected and qualified or until he is removed in the manner provided elsewhere herein.

Section 4. Composition of the Board; Eligibility.

a. In accordance with the Articles of Incorporation, the Board appointed and named in said Articles of Incorporation (and their successors appointed by Declarant) shall serve at least until Class A Members are entitled to elect one or more of the directors.

b. Upon Transfer of Control, a simple majority of directors shall be elected for a term of office to end at the second subsequent annual meeting of the Members of the Association, and the

remaining directors shall be elected for a term of office to end at the subsequent annual meeting of the Members. Following the initial election of non-Declarant Members, subsequent elections to the Board shall be for a 2 year term of office, unless otherwise provided herein. All officers of a corporation or other entity owning a Lot shall be deemed to be Members of the Association so as to qualify each to become a director hereof.

c. A Member who is delinquent in the payment of any fee, fine, or other monetary obligation to the Association for more than ninety (90) days is not eligible to be a director.

d. A Member who has been convicted of any felony in Florida or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in Florida, is not eligible to be a director, unless such Members' civil rights have been restored for at least 5 years as of the date on which such Member seeks election to the board.

e. The validity of any action by the Board is not affected if it is later determined that a member of the Board is ineligible to be a director.

Section 5. Notice of Board Meetings to Members. Notices of all Board meetings must be posted in a conspicuous place in the Subdivision at least 48 hours in advance of a meeting, except in an emergency. In the alternative, notice of the Board meeting, which shall include an agenda, shall be mailed, delivered, or sent by electronic transmission to each Member of Record listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein not less than 7 days prior to the meeting, except in an emergency. Evidence of compliance with this 7-day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. A Member must consent in writing to receiving notice via electronic transmission.

Section 6. Right of Members to Speak at Board Meetings. Notwithstanding any provision to the contrary in the Association's governing documents or any rules adopted by the Board or by the membership, a Homeowner has the right to attend all Board meetings (subject to any permissible limitations as provided herein or pursuant to the Act) and to speak on any matter placed on the agenda, provided that the Homeowner submits a written request to speak prior to the meeting (such request shall be delivered to the Association's record office and verified by the Association secretary prior to commencement of the meeting). The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Homeowner statements, which rules must be consistent with the provisions of the Act, and may include a sign-up sheet for Members wishing to speak. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney held for the purpose of (a) discussing personnel matters, (b) proposed or pending litigation, or (c) as otherwise specifically prescribed under the Act.

Section 7. Annual Meetings. The annual meeting of the Board may be held at such time and place as shall be determined by the directors, except that such annual directors' meeting shall be held as soon as practicable following the annual Members' meeting. If held at any time other than immediately following the annual Members' meeting, there shall be 3 days' notice given by the President personally or by mail, telephone or electronic communication, which notice shall state the time and place of the meeting.

Section 8. Meeting to Determine Assessments. The General Assessment and any Special Assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to all Members of Record at least 14 days before the meeting, which notice shall include a statement that Assessments will be considered at the meeting and the nature of the Assessments. Written notice of any meeting at which Special Assessments will be considered must be mailed, delivered, or electronically transmitted to the Homeowners and posted conspicuously on the Common Property or broadcast on closed-circuit cable television not less than 14 days before the meeting.

Section 9. Meeting to Determine Rules and Regulations. Written notice of any meeting at which rules that regulate the use of Homes and Lots in the Subdivision may be adopted, amended, or revoked must be mailed, delivered, or electronically transmitted to the Homeowners, and posted

conspicuously on the Common Property or broadcast on closed-circuit cable television, not less than 14 days before the meeting. A written notice concerning changes to the rules that regulate the use of Homes and Lots in the Subdivision must include a statement that changes to the rules regarding the use of Homes and Lots will be considered at the meeting.

Section 10. Special Meetings. Special meetings of the directors may be called by the president and must be called by the secretary at the written request of 2/3 of the directors. Not less than 3 days' notice of the meeting shall be given personally or by mail, telephone, telegraph or electronically transmitted, which notice shall state the time, place and purpose of the meeting.

Section 11. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance at a meeting shall constitute a waiver of notice.

Section 12. Quorum and Voting. A quorum at directors' meetings shall consist of a majority of the entire Board. The acts approved by a majority of directors shall constitute the acts of the Board except when approval by a greater number of directors is required by the Declaration, the Articles of Incorporation, these Bylaws, or the laws of the State of Florida.

Section 13. Adjourned Meetings. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

Section 15. Petition by Members to Board to Address an Item of Business. If 20% of the total voting interests in the Association petition the Board to address an item of business, the Board shall, at its next regular Board meeting or at a special meeting, but not later than 60 days after the receipt of the petition, consider the petitioned item. Written notice of the meeting shall be provided to all Members of Record at least 14 days before the meeting. Such notice shall include an agenda of items to be considered. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

Section 16. Presiding Officer and Secretary for Meetings. The presiding officer of the directors' meetings shall be the chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside. The secretary of the Association shall be the secretary for meetings of the directors, unless absent, in which case the directors shall designate one of their members to act as secretary for the meeting.

Section 17. Compensation. No director, officer or committee member shall receive compensation for any service rendered to the Association in such capacity, nor may such person benefit financially in any way from service to the Association as defined by the Act. However, any director, officer or committee member may be reimbursed for actual expenses incurred in the performance of Association duties, and this provision shall not preclude a person who is also a director, officer or committee member to receive compensation in exchange for other services rendered to or on behalf of the Association in a capacity other than as a director, officer or committee member.

Section 18. Committees. The Board may from time to time appoint such committees and delegate such duties and powers thereto as it may deem advisable.

Section 19. Attendance by Telephone. Any member or members of the Board shall be deemed present and voting at a meeting of such Board if said member or members participate in the meeting by

means of a conference telephone or similar communications equipment or device enabling all persons participating in the meeting to hear each other.

Section 20. Action Without Meeting. Any action required or permitted to be taken at any meeting may be taken without a meeting if written consent to the action signed by all the members of the Board is filed with the minutes of the proceedings of the Board.

Section 21. Powers. The Board shall have the powers set forth in the Declaration and the Florida Not-For-Profit Corporation Act, including but not limited to the power to:

a. adopt and promulgate rules and regulations governing the Subdivision or contemplated by the Declaration, and to establish penalties for the infraction thereof (a rule shall be deemed promulgated when a copy thereof is furnished to each Member in person or mailed to each such Member at the address on the records of the Association);

b. suspend the voting rights and other rights of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of promulgated rules and regulations;

c. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, including the establishment of the Assessments provided for in the Declaration; and

d. employ a manager, or such other independent contractors or employees as they deem necessary, and to prescribe their duties.

Section 22. Duties. It shall be the duty of the Board to:

a. cause to be kept a complete record of all its acts and corporate affairs and to present an oral or written statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by ¼ of the Class A Members who are entitled to vote;

b. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

c. as more fully provided in the Declaration, to:

i. fix the amount of the Assessments against each Lot;

ii. exercise the duties of the Board as set forth in the Declaration and enforce the restrictions and covenants contained therein; and

iii. take appropriate and timely action against Members whose Assessments are in default;

d. issue, or to cause an appropriate officer to issue, upon demand by a Member, First Mortgagee, or his or her designee, a certificate setting forth whether or not any Assessment any other moneys owed to the Association have been paid with respect to the Lot in accordance with the requirements of the Act. A reasonable charge may be made by the Board for the issuance of these certificates. The Association may charge a fee for the preparation of such a certificate and the amount of such fee must be stated on the certificate. If a certificate states an Assessment or other monetary obligation has been paid, such certificate shall be conclusive evidence of such payment;

e. cause all officers or employees having fiscal responsibilities to be bonded, if such bonding may be deemed appropriate; and

f. perform such other acts as may be required of a board of directors under the Florida Not-For-Profit Corporation Act.

Section 23. Certification by Directors. Each director shall be required to provide the certification required under Section 720.3033 of the Act.

ARTICLE V
Officers

Section 1. First Officers. In accordance with the Articles of Incorporation, the first officers of the Association named and appointed in such Articles of Incorporation shall serve until their qualified successors are elected by the Board.

Section 2. Executive Officers. The executive officers of the Association shall be a president, who shall be a director, a vice president, who shall be a director, a treasurer-secretary and other officers as shall be elected by the Board. Except as provided in Section 1 of this Article, such officers shall be elected annually by the Board. Officers need not be Homeowners and the officers and employees of Declarant may be officers of the Association. The Board from time to time may elect such assistant or other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Each officer shall serve until a qualified successor is elected by the Board. The Board, by a ⅔ affirmative vote, from time to time may remove an officer with or without cause and fill such vacancy so created.

Section 3. President. The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the Members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

Section 4. Vice-President. The vice-president, in the absence or disability of the president, shall exercise the powers and perform the duties of the president. He also shall assist the president generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

Section 5. Secretary. The secretary shall keep the minutes of all proceedings of the directors and Members. He shall attend to the giving and serving of all notices to the Members and directors and others that are required by law. He shall have custody of the seal of the Association and affix it to any instruments requiring a seal when duly signed. He shall keep the records of the Association including the membership book, except those of the treasurer unless the secretary is also the treasurer of the Association. The secretary shall perform all other duties incident to the office of secretary of a corporation and as may be required by the Board or the President. Any assistant secretary elected shall perform the duties of the secretary when the secretary is absent.

Section 6. Treasurer. The treasurer shall have custody of all property of the Association including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties usually incident to the office of treasurer.

Section 7. Compensation. No officer shall receive any compensation by reason of his office; provided, however, that nothing herein shall preclude the Board from employing an officer as an employee of the Association or preclude the contracting with an officer for management services.

Section 8. Proviso. Notwithstanding any provisions to the contrary in these Bylaws, the Association shall maintain separate accounting records for each Association account, shall keep such records according to good accounting practices, and shall open such records for inspection by Homeowners

or their authorized representatives. The records of the Association (other than those records noted in the Act as not accessible) are available to be inspected by a Homeowner or their authorized representatives during normal business hours, and upon reasonable notice and in a reasonable manner, to inspect the books, records, and papers of the Association. The Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections in accordance with the Act. In the event the Board designates a management firm to operate the Association, said management firm shall be required to follow the aforesaid provisions.

ARTICLE VI
Fiscal Management

Section 1. Depositories. All funds of the Association shall be deposited in the name of the Association in such bank, banks or other financial institutions as the Board may from time to time designate, and shall be drawn out on checks, drafts or other orders signed on behalf of the Association by such person or persons as the Board may from time to time designate.

Section 2. Contracts, Etc. Except as otherwise specifically provided by these Bylaws, all contracts, agreements, deeds, bonds, mortgages and other obligations and the instruments shall be signed on behalf of the Association by the president or by such other officer, officers, agent or agents as the Board may from time to time by resolution provide, and shall be entered into in accordance with the Act.

Section 3. Budget. The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Association expenses and to provide and maintain funds for the appropriate accounts according to good accounting practices. Such budget shall be adopted prior to the annual Members' meeting preceding the fiscal year for which the budget shall apply.

Section 4. Assessments. As more fully provided in the Declaration, each Member is obligated to pay the Assessments against the Lot.

Section 5. General Assessment. The Board shall adopt the General Assessment as provided for in the Declaration.

Section 6. Special Assessments. As contemplated by the Declaration, Special Assessments may be adopted by the Association to meet expenses which exceed the budget adopted by the Board. Such Special Assessments shall be adopted and levied upon approval of a majority of the votes cast by the Members present at a special meeting called for that purpose.

Section 7. Specific Assessments. Specific Assessments shall be levied against a Lot in accordance with the applicable provisions of the Declaration.

Section 8. Financial Report. The Treasurer of the Association shall report the financial status of the Association to the Members as required by the Act.

Section 9. Suspensions and Fines. Suspension of use rights and the levying of fines by the Association shall occur in accordance with the applicable provisions of the Declaration.

ARTICLE VII
Amendments

Prior to Transfer of Control, amendments to these Bylaws shall be adopted by the Board of Directors without any requirement or necessity for a vote of the Association membership or for consent by any party, except as may be otherwise specifically required herein. Subsequent to Transfer of Control, these Bylaws may be altered, amended or added to at any duly called meeting of the Members, provided:

(A) Notice of the meeting shall contain a statement of the proposed amendment.

(B) If the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of two-thirds (2/3) of the votes cast at a meeting called for such purpose.

(C) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of three-fourths (3/4) of the votes cast at a meeting called for such purpose.

(D) No amendment to these Bylaws shall be made which affects any of the rights and privileges provided to Declarant under the Governing Documents without the written consent of Declarant for so long as Declarant owns any portion of the Property.

(E) Notwithstanding the foregoing, no amendment to these Bylaws which will affect any aspect of the Surface Water Drainage and Management System located on the Property shall be effective without the prior written approval of the WMD.

ARTICLE VIII
Miscellaneous

Section 1. The fiscal year of the Association shall be the calendar year.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for dispute resolution shall be submitted to such dispute resolution procedures contained in the Act prior to institution of civil litigation.